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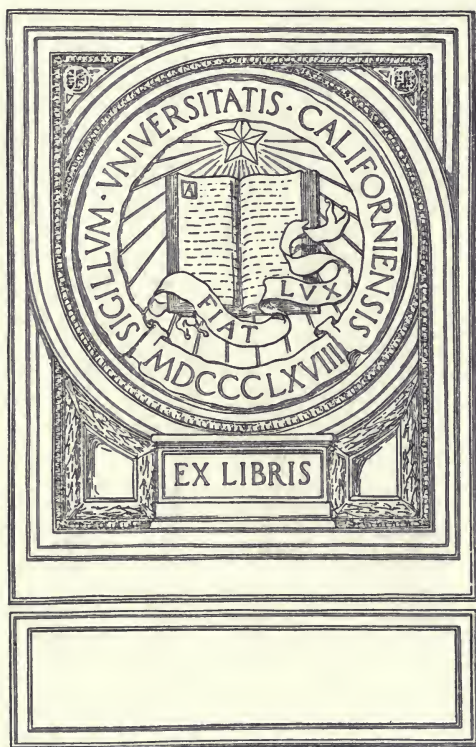
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ORGANIZATION MEETING
of the **INTERNATIONAL**
CHAMBER OF COMMERCE

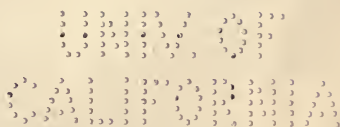


**INTERNATIONAL
"CHAMBER OF COMMERCE**

**Proceedings
Organization Meeting**

Paris, France

June 23 to 30, 1920



INTERNATIONAL HEADQUARTERS

33 Rue Jean Goujon

Paris, France

HF294
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1920

TO VIRU
AIRPORT

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INTRODUCTION

On October 20 to 24, 1919, there was held in Atlantic City, New Jersey, under the auspices of the Chamber of Commerce of the United States of America, "The International Trade Conference." Industrial, business and financial leaders of Belgium, France, Great Britain, Italy and the United States participated in the conference, and careful consideration was given to important questions affecting commerce and industry, not only in the respective countries, but nationally and internationally.

Committee on Permanent Organization

At this conference, a Committee on Permanent Organization was appointed, having for its purpose the development of a plan for the creation of an International Chamber of Commerce. The personnel of this committee was:

Belgium

LOUIS CANON-LEGRAND,
PAUL VAN DE VEN.

ALEXANDRE DE GROOTE.

France

ALBERT TIRMAN.
JULIEN POTIN,

JULES GODET,
EDOUARD DOLLEANS.

Great Britain

Sir ARTHUR SHIRLEY BENN.
Sir JAMES HOPE SIMPSON.
MARSHALL STEVENS.

BAILIE JOHN KING,
FRANK MOORE.

Italy

B. ATTOLICO,
D. GIDONI.
V. MENEGHELLI.
P. G. LAZZERINI,
G. FUMMI,
A. JACCARINO.
Sig. OLDRINI.
P. DE CICCIO,

F. QUATTRONE.
G. GRANATA,
L. SOLARI.
L. PERERA,
G. B. CECCATO.
O. ROSSATI.
Sig. SERRATI.

United States

JOHN J. ARNOLD.
WILBUR J. CARR.
EDWARD A. FILENE.
MYRON T. HERRICK.
ALBA B. JOHNSON.
PHILIP B. KENNEDY.
EDWARD G. MINER.

GEORGE RUBLEE.
F. A. SEIBERLING.
ROBERT P. SKINNER.
GEORGE ED. SMITH.
JOHN H. FAHEY.
S. C. MEAD,

Report of Committee

The committee gave careful consideration to the subject and submitted a report to the International Trade Conference, which was unanimously adopted. The report laid down the fundamental principles for an International Chamber of Commerce, and provided for the appointment of a Joint Committee on Permanent Organization, to present a complete plan of organization. The report adopted follows:

I. That the need of more comprehensive organization of the commercial and financial interests of the various nations is imperative and that the present International Trade Conference should serve as the foundation on which to construct a permanent organization.

II. Your Committee has adopted and recommends the following statement of general purpose of the organization: "The purpose of the organization is to promote international commerce, to facilitate the commercial intercourse of nations, to secure harmony of action on all international questions involving commerce and industry, and to promote peace, progress and cordial relations between the countries and their citizens by the cooperation of business men and their associations devoted to the development of commerce and industry."

III. Your Committee believes the specific aims of the organization should be:

(a) To create a permanent international headquarters which will centralize all data concerning economic subjects and social conditions; the facts relating to the respective needs, present productions and future possibilities of each country.

(b) To act as an instrument of coordination which will suggest trade regulations and legislative measures to

facilitate and encourage the development of economic intercourse.

(c) To inform public opinion through the publication of facts concerning business conditions and through dissemination of the views of technical experts and business men.

(d) To put at the disposal of all official organizations the reports and conclusions prepared by those experts and business men.

IV. Organization: Your Committee presents the following tentative suggestions as the basis for a plan of organization:

(1) A board of directors of two members selected by each nation. In the event of the inability of such directors to attend the meetings they shall be represented by an equal number of alternates.

The board of directors shall have general charge of the business of the organization, supervision of its policies and direction of the activities of the international headquarters and its staff. It shall determine the questions to be placed upon the agenda for all meetings.

(2) An international headquarters shall be located at the seat of the organization. One representative of each member nation shall be attached to the international headquarters and shall be resident at the seat of organization and may have such necessary technical assistants as the board of directors may determine.

(Let me divert a moment there to explain that the purpose is a permanent international bureau at which each nation shall have a permanent resident representative or general secretary; that these secretaries may have such technical assistance as may be recommended by their organization and approved by the board of directors, thus providing continuous machinery always available to the business interests of the nation.)

There shall be a corresponding national bureau with the international headquarters.

(3) This organization may include all countries that are members of the League of Nations, but subject to election by the board of directors.

(a) The membership of the organization shall consist of chambers of commerce, commercial organizations, banking associations, and similar associations, the votes of which shall determine all questions of policy. Firms,

corporations and individual bankers or business men shall be eligible to admission as associate members by vote of the board of directors and under regulations to be prescribed by the directors. Such associate members shall be entitled to receive the reports and bulletins of the organization and shall be privileged to attend meetings.

(b) In any nation having a national board or organization of its commercial interests the members of the board of directors shall be chosen by that organization. In countries where such national board or organization does not exist the plan of permanent organization to be later prepared shall recommend some equitable method for choice of directors.

(To explain: Your Committee, as it discussed the details of this plan, found, of course, that it was quite impossible to evolve in detail the type of organization finally necessary. There are great differences between the organizations in the various countries. Some of them have national functions of their organizations as we have in our Chamber of Commerce of the United States; others have smaller and more concentrated boards. In some countries the organizations of business men are partly official and partly private. The desire was that the selections of members of the board of directors, or governing body of the International, should be chosen by the proper representative national board, if one existed, as being a more representative choice and providing a more convenient way of selection; but it was recognized that that machinery was not available in all countries. It is impossible at the moment to say what method may well be pursued for the selection of directors in countries having no national organization, and so it was agreed in the Committee that that was a detail that might well be left for your Committee on Organization, as provided for, to work out in some circumstances.)

(c) The regular meetings of the general membership of the organization shall be held at intervals of two years, except that provision shall be made for the calling of special meetings when necessary. At such international conferences each organization represented in the membership shall be entitled to send not more than five delegates, who shall have the privilege of discussing all questions presented to the congress.

(The view was held by some that it ought not to be more than two or three, on the ground that the congress

would otherwise become unwieldy to control. The view was that in a great international meeting of this sort it was wise to have various business interests represented, not merely manufacturing and commerce, foreign commerce, let us say, but that every type of business should have representation, or opportunity for representation. But since that was a detail calling for further consideration we agreed that the wording might well be "Not more than five delegates," leaving the way open for further recommendation by a committee which would be able to give further time to the subject.)

(d) In taking a vote at the congress each delegate shall be entitled to one vote. The vote shall be taken in the first instance by a show of hands and the questions shall be decided by a majority of the votes recorded; provided, however, that delegates representing any two countries may ask for a vote by nations, in which case any decision previously recorded shall be final if the resolution proposed by the majority of the delegates is ratified by a majority of the countries.

(The question of voting in such a way as to protect the interests of all countries and leave the way open to no injustice is not an easy one to adjust; because of varying conditions it is obviously wise that the views of such a great international gathering should be taken as promptly as possible; and yet, if it be by a show of hands or *viva voce* vote, some provision must be given for the safeguarding of interests of nations; and votes would not, after all, be useful or of advantage unless they represented a general consensus of opinion. Therefore, our Committee reported this, which you will understand, after all, is a tentative suggestion, for deliberations on the subject may result in an even better plan, but that particular difficulty must somehow be met, as you will realize.)

(e) In all countries having a national board or organization of the commercial and financial interests, the applications for membership in the international organization shall be passed upon and approved by the national board of organization.

(The purpose of that, gentlemen, was this: If no check of that sort is provided the way is open for all kinds of organizations, great and small, whether their purpose be really serious or not, to have a place in your international organization. Certainly its force and strength will depend upon its character and its hands could well be weakened

if its membership were not guarded with some care. At least the opinion of the Committee was that if the duly constituted board of organization of the country was ready to recommend any applicant for membership that would assuredly furnish a safe basis for admission. Otherwise there might be some difficulty, as there has been on occasions in the past in the International, where men who were going abroad and were merely tourists and visitors attended sessions and added nothing to the strength of the deliberations or the character of the gathering, and that needs to be safeguarded.)

(f) The Committee on Permanent Organization shall consider, and, if possible, report as a part of a permanent plan of organization some practical method of securing the opinions of the members of the organizations on important international questions in the intervals between the meetings of the congress.

(That is a subject that has been given attention for some years by those who have been giving thought to this subject. You know the success with which we have developed the referendum system for the recording of votes in our organization in this country. It was felt that consideration of the project and further study than it would be possible to give in hurried meetings now might result in the development of some scheme, the adoption of which would make possible securing the business opinion of the world between the two-year periods of international meetings.)

(g) The Committee on Permanent Organization shall also report a recommendation as to the location of the permanent headquarters.

(On that article there was some discussion in our Committee, the view being held on the one hand that probably it would be wise to have the permanent headquarters of this organization in close proximity to the headquarters of the organization of the League of Nations, perhaps in the same city. However, that headquarters is not permanently fixed. There was the view in your Committee that that subject also should be given further consideration and should be a matter of later report.)

V. Temporary organization: It is the recommendation of your Committee that the nations represented in this conference, namely, Great Britain, France, Belgium, Italy and the United States, shall constitute a temporary organization, and that a

joint committee be appointed representative of these nations to prepare a plan for permanent organization; that as soon as practicable a meeting be called by the Committee on Organization of the representatives of such nations as they may unanimously determine to invite, at which meeting the plan for permanent organization shall be presented for adoption in final form.

(Now a word on that. There should be a permanent organization to take these suggestions and work them out into a plan for permanent organization; that the members of the present International Trade Conference constitute themselves as the foundation of the international organization, really temporary organization, and when ready they shall invite other nations to join with them in a meeting to discuss a permanent plan, accept it and to begin the operations of the permanent organization.)

Your Committee recommends that the delegates in this conference from each of the five countries shall select immediately two members of a joint committee on permanent organization to present a complete plan of organization for submission as provided above.

Joint Committee on Permanent Organization

Immediately following the International Trade Conference, preliminary consideration was given to the question of completing the Joint Committee on Permanent Organization. It was decided that the committee meet in London, England, or Paris, France, during the first week in June, 1920, to formulate a complete plan of organization for submission to a general meeting of representatives from the five countries, viz: Belgium, France, Great Britain, Italy and the United States, to be held in Paris, France, during the week beginning June 21, 1920. The Joint Committee on Permanent Organization as finally created was:

CHAIRMAN, JOHN H. FAHEY

Belgium

BARON JANSSEN, *Chairman*;

Vice Governor, the Societe Generale of Belgium.

JULES CARLIER,

President, Central Industrial Committee of Belgium.

LOUIS CANON-LEGRAND,

President, Chamber of Commerce, Mons, Belgium.

BARON EMPAIN,

Banker.

ALEXANDRE DE GROOTE,

Vice President, Chamber of Commerce, Antwerp, Belgium.

PAUL VAN DEN VEN,

Representing the Belgian Minister of Finance; Member of Faculty, University of Louvain.

EMILE DELANNOY,

President, Chamber of Commerce, Brussels, Belgium.

EMILE JOTTRAND, *Secretary*;

General Secretary, Chamber of Commerce, Mons, Belgium.

France

EUGENE SCHNEIDER, *Chairman*;

Maitre de Forges; President of the Iron and Steel Institute of Great Britain.

ETIENNE CLEMENTEL,

Former Minister of Commerce; President, Board of Directors of National Office of Foreign Commerce; President, National Committee of Counsellors of Foreign Commerce.

ALBERT TIRMAN,

Counsellor of State; Representative of the Minister of Commerce to the French Economic Mission in the United States.

GEORGES PASCALIS,

President, Chamber of Commerce, Paris, France; Chairman, Board of Presidents of Chambers of Commerce.

HENRY DARCY,

President, General Confederation of French Production.

JEAN COIGNET,

President, Chamber of Commerce, Lyon, France; President, National Association for Economic Expansion.

CHARLES CHAUMET,

President, Parliamentary Committee of Commerce and Industry.

JULIEN POTIN,

President, Potin and Company; President, Syndicate of Dry Vegetables.

JULES GODET,

Former President, General Association of Textiles.

GEORGES ROCHE,

Director, Poulenc Brothers; Representative, General Syndicate of Chemical Products.

EDOUARD DOLLEANS,

Professor of Political Economy and Member of the
Faculty, University of Dijon.

ANDRE-FRANCOIS PONCET,

Director of the Society of Economic and Financial In-
formation.

ALEXANDRE DE LAVERGNE, *Secretary*;

General Secretary, General Confederation of French Pro-
duction.

Great Britain

LORD DESBOROUGH, K. C. V. O.,

President, Imperial Council of Commerce; Former Presi-
dent, Chamber of Commerce, London, England.

A. J. HOBSON, LL.D.,

President, Association of British Chambers of Commerce.

EDWARD MANVILLE, M. P.,

Vice President, Federation of British Industries.

STANLEY MACHIN,

President, Chamber of Commerce, London, England.

SIR ARTHUR SHIRLEY BENN, M. P., K. B. E.,

Honorary Secretary, Association of British Chambers of
Commerce.

HON. J. G. JENKINS,

Member, Finance Committee, Chamber of Commerce, Lon-
don, England; Vice President, Association of British
Producers; Former Prime Minister of South Australia.

R. B. DUNWOODY, O. B. E., *Secretary*;

Secretary, Association of British Chambers of Commerce.

Italy

FERDINANDO QUARTIERI, *Chairman*;

President, Italian Corporation for Chemical Industries.

MARCO CASSIN,

President, Union of Italian Chambers of Commerce.

FRANCESCO GIANNINI, *Secretary*;

Commercial Attache to the Royal Embassy of Italy in
London.

United States

JOHN H. FAHEY, *Chairman*;

Former President, Chamber of Commerce of the United
States, Boston, Mass.

THOMAS W. LAMONT,

J. P. Morgan and Company, New York, N. Y.

RICHARD S. HAWES,

President, American Bankers Association, St. Louis, Mo.

EDWARD A. FILENE,

Director, Chamber of Commerce of the United States,
Boston, Mass.

EDWARD G. MINER,

President, The Pfaudler Company, Rochester, N. Y.

WILLIS H. BOOTH,

Vice President, Guaranty Trust Company, New York, N. Y.

WILLIAM P. BONBRIGHT,

Bonbright and Company, New York, N. Y.

FESTUS J. WADE,

President, Mercantile Trust Company, St. Louis, Mo.

WILLIAM BUTTERWORTH,

President, Deere and Company, Moline, Ill.; Vice President,
Chamber of Commerce of the United States.

ROBERT HOUSTON,

Doubleday, Page and Company, New York, N. Y.

S. C. MEAD, *Vice Chairman and Secretary;*

Secretary, The Merchants' Association of New York, New
York, N. Y.

The Joint Committee on Permanent Organization held two meetings in Paris, France, May 19, 20 and 21, and June 22, 1920. A constitution for an International Chamber of Commerce and rules of procedure were formulated, and a program of subjects (see Appendix A) was decided upon, for consideration at the organization meeting, held in Paris, France, June 23 to 30, 1920, at which time the International Chamber of Commerce was constituted. The action taken by the organization meeting is set forth in the following pages.

JOHN H. FAHEY,

*Chairman, Joint Committee
on Permanent Organization.*

INTERNATIONAL CHAMBER OF COMMERCE TEMPORARY ORGANIZATION

FIRST SESSION, WEDNESDAY AFTERNOON, JUNE 23, 1920,
2.30 o'clock.

The meeting was called to order by Mr. John H. Fahey, Chairman of the American Delegation, who presided at the first session.

The delegates who were registered and in attendance, representing the five countries, namely, Belgium, France, Great Britain, Italy and the United States, and who participated in the organization meeting, are listed in Appendix E.

M. Etienne Clementel, Chairman of the French Delegation, made the address of welcome. Responses were made by members of the delegations from Belgium, Great Britain, Italy and the United States.

Address of Welcome by M. Etienne Clementel

Chairman of the French Delegation

It is with deep feeling and profound emotion that I extend to you heartfelt thanks for the applause, not addressed to my humble self, but to my country. It was in fact a magnificent feeling that inspired you, when last year you decided to hold the organization meeting of the International Chamber of Commerce in Paris; when you persuaded the allied missions, here assembled, to come to Paris to express gratitude to France,—France, who during four tragic years fought for the common cause without flinching even for a moment, because she had confidence in her ideal.

This ideal must, indeed, have been deeply rooted in the heart of Belgium, for that country, much greater because she was so small, did not hesitate,—a new David against a new Goliath,—to make a rampart of her body for the sake of the country that had given birth to the liberties of 1789.

Belgium during the war held a strip of her territory, in which was placed all of her country and all of her army. Since the armistice, Belgium has again amazed the world by

her magnificent work of reconstruction. We are happy to welcome and to receive here the delegates of noble Belgium.

Nothing less than this ideal could have enabled Great Britain to despise the scheme of Bethmann Holweg, who hoped that the British Dominions would abandon the mother country. Whatever may be the temporary difficulties which might arise between Great Britain and France, those who know the devotion of England cannot doubt but that she is allied to France by bonds which never can be destroyed. I welcome the British representatives, and especially Mr. A. J. Hobson, of that delegation. Mr. Hobson had only two sons. At the very outbreak of the war they went to the front. Now they are sleeping their last sleep on the frontiers of Belgium and France.

As for Italy, France knew her feeling so well that in 1914 she was able to withdraw her troops from the Italian frontier and to send her admirable Chasseurs Alpines to the Vosges, which they turned into an impassable barrier for the enemy.

Italy had gauged the extent of the war. She knew that it would be fought to the bitter end. She had realized the extent to which the struggle would be carried. Though she was neutral at first, she later boldly entered the war, assuming her part from the North Sea to the Adriatic. Since the armistice Italy has with determination returned to work. We know how great are the industrial efforts which she has made in the entire northern part of her country.

Finally, I am very pleased to welcome the American delegation, especially its chairman, Mr. John H. Fahey. For nearly two months we have worked together, and I can say that there has not been a moment during which his altruism has not been obvious to us.

American was unwilling to remain in her solitude. She could not have been happy while the rest of the world was unhappy. We witnessed America's effort. We saw her 300,000 soldiers landing every month. We saw her at St. Mihiel and Chateau-Thierry. The war has created between us everlasting bonds. As a result, our friendship can only be increased.

It therefore gives me great pleasure to congratulate the representatives of America on the part their country played during the war and on the part which they have played in the organization of the work which we are now commencing and for which we are today here assembled.

I again thank Mr. Fahey and beg of him to be our interpreter to the 1,400 American chambers of commerce which are represented by the more than 140 delegates here present. I beg him to state how grateful the French industrial, commercial and financial people are to at last see their scheme of an inter-

national business organization realized. All the honor for this accomplishment shall be yours, sir (Mr. Fahey), because it was you who first gave impetus to this important undertaking.

Response by Mr. A. J. Hobson, LL. D.

Chairman of the British Delegation

I thank you for the honor you have done to the nation I have the privilege of representing here today. I believe that the part Great Britain played in the war has not been fully realized by the world at large.

Germany had a misunderstanding that we can today see and understand by glancing at the history of the war which has just been published by the German Admiralty. They sent a wire in 1914 to their ships on the North Sea saying: "Do not worry about the little British army; our west troops will deal with them."

You remember what happened.

On the other hand, they fully believed that the British dominions and colonies would not come to the help of their mother country. As a matter of fact they were convinced of everything that was the contrary of what took place.

But, in order to achieve success, we had to sacrifice all the liberties that we so very much cared for, yes, even the liberties contained in the Magna Charta, which goes back to the days of King John. We sacrificed our privileges to an autocratic government, which said that it was necessary to imprison people without trial.

I remember reading in a French paper that if Great Britain were to come into the war, the question of money would not exist for her. Still allow me to tell you that it did exist for those who had to pay the taxes. We have gladly given all to the good. The cause we have sacrificed to is still our cause.

Politicians exist in all countries, and in England you must remember they do not represent the unselfish side of what is called, wrongly perhaps, the selfish Englishman.

If these meetings serve no other useful business they will have the advantage of bringing us together. It gives me great pleasure in seeing here our friends from America, the youngest of all great powers. I am quite sure I ought not to say "young," but God is always on the side of the young.

Business men felt some regret at the attitude of America. But there is no time lost and, whatever may have been done, we may do more to reinforce the League of Nations than any existing body. We are a non-official group, and our importance is therefore the greater.

Response by M. Joseph Marcotty

Member of the Belgian Delegation

In the absence of our chairman, my colleagues have designated me to speak on behalf of the Belgian Delegation, and to thank M. Clementel and the preceding speakers for the very kind sentiments which they have expressed for our country.

I recall that the preceding speakers referred to the fact that Belgium, without taking into account her own interests, had during the five long years of war been the champion of duty and liberty, and that on the morrow of the armistice, Belgium amazed the world by her magnificent work of reconstruction and gained the admiration of all.

On behalf of the Belgian Delegation, I thank you sincerely. We must continue to cooperate with and extend help to our Allies if we are to definitely pursue the course which we have pursued during the five years that our efforts have been made in unity.

We must continue this cooperation in order to reestablish in the world those conditions which prevailed before the war. We must encourage commerce and industry. By continuing our activities and the work of reconstruction we shall fulfill our part in the future.

Response by Comm. Giorgio Mylius

Member of the Italian Delegation

As a member of the International Trade Conference held in Atlantic City, New Jersey, October, 1919, I have requested of my colleagues permission to speak to you today.

I have the honor of thanking very sincerely M. Clementel for his kind words about Italy and for the splendid address he has just made. I know what your feelings are, M. Clementel, and I know further that your welcome is not merely a form of courtesy, but another real manifestation of your sympathy for Italy, which has always characterized the part you took in the politics of France and of the whole world.

Italy for some time has been suffering from a crisis of strikes, which at one moment affects an industrial or agricultural center, and at another the public services. The fact, however, that these temporary agitations, instead of spreading, tend to decrease every day, indicates that the great majority of the Italian people do not, in any way, encourage temporary disturbances such as are taking place almost everywhere, under similar circumstances, as an inevitable reaction after the war. On the other hand, the recent strike in Turin, which ended

because the working classes gave in absolutely, is another indication of the existence of good industrial organization.

The time of individualism has passed. We must join hands or give up the advantage of force as a result of united effort.

The world has been subjected to such an upheaval that it is unnecessary to say that a long time will be required to re-establish its equilibrium. If on the one hand social questions must be solved with great breadth of mind, then on the other hand we must approach the problems of supplies and raw materials, of finance and of reconstruction, from the point of view that mutual sacrifices will be absolutely necessary.

It is only in this way that we shall succeed in restoring the economic and industrial organization of our countries, which has suffered so cruelly from the war. By methodical and continued action of international organizations, similar to that which calls us here, we shall attain that objective in a shorter time and in a more effective way.

In the name of the Italian Delegation, I bow to the nations whose representatives are here assembled today. I express the gratitude we feel for the kind welcome which has been given to us in France. I thank especially M. Clementel and Mr. Fahey for the warm sympathy which they have extended to the representatives of Italy.

Response by Mr. John H. Fahey

Chairman of the American Delegation

I deeply appreciate the honor of speaking for the American Delegation on this occasion and the opportunity of expressing the satisfaction we feel in joining with you in the creation of an institution which we all hope will be of real service, not only to our several countries, but to the world as a whole.

Just emerging as we are from the shadow of the terrible conflict which darkened the entire world, none of us can fail to be moved by deep emotions in taking up this work of reconstruction in unity with the countries with which we fought side by side. The world was saved from complete reversion to barbarism, from the dominance of destructive and insane ambition which would have set the human race back thousands of years, only by the united sacrifice and effort of the countries here represented, and their allies.

The world war has ended so far as military conflict is concerned, but its consequences are still felt to the four corners of the earth, and unfortunately we have come to realize that they will long exercise a great influence on human happiness and progress.

The war was won only by organized and continued co-operation on the part of the nations which pooled all their manpower and resources for the defeat of the Central Powers. The victories of peace will only be attained by the same organized methods and persistent work in the common interest.

The complete understanding between our countries and un-remitting labor become more necessary now than in the period preceding the war, for the task before the economic forces of the world is not only to restore that which has been destroyed, but to build better than ever for the benefit of the human race.

When we pause to consider thoughtfully the situation which confronts all nations, it must become apparent at once that there has never been a time in history when knowledge and experience could count more toward the attainment of real progress. Men such as are gathered here, and their associates at home, representing the business interests of our countries, are practical men of affairs, responsible for securing results in their every day efforts. They must secure results or go down to defeat. In this critical period, all they have learned by hard experience and long, tiresome application must be utilized by the world if the normal comforts of life are soon to be enjoyed.

In the past the thought of too many of the best brains in the world has been devoted to plans for the destruction or defense of those things which humanity had toiled long to build. Now, with the lessons of the war so freshly in our minds, the world must surely demand that its best brains and leadership be enlisted for construction, not destruction.

It is obvious that those results cannot be achieved which the world had a right to expect unless the best that each nation can contribute is made available. Every class and every group must do its part,—the statesman, the farmer, the teacher, the worker, the financier and business man. Just as one class cannot live without the other, neither can any nation, however great, live by itself alone.

More than ever the war has demonstrated the absolute interdependence of the peoples inhabiting every part of the globe. There may be just pride in nationality, there may be honorable satisfaction in national achievement, but in no sense does true nationalism conflict with those international relationships which are absolutely essential if the world is really to achieve the blessings of peace and that happiness, prosperity and freedom of opportunity for its people which are its heritage. In the tasks of construction involved in the attainment of these objects, there is no class or group which can aid more than the business men of the world.

With all modesty in appraising the value of the contribution we are able to make, with full appreciation of the fact that we can accomplish little without the confidence and cooperation of other groups and classes, nevertheless the experience of centuries has proven that the operations of commerce represent the greatest fundamental service to mankind. Without its steady development, without full encouragement in all its honest activities, there can be no real civilization, no real progress.

We meet here to place at the disposal of the nations in organized fashion the knowledge and talent which the business world commands. We propose to offer our suggestions as to the solution of the great problems of reconstruction after full study and consideration. We intend to set up machinery for mobilizing the business thought of the nations on these great questions and placing the results of that effort at the disposal of governments. We know that the proposals which we may from time to time present will command respect and carry influence only so far as they are honest, sound, logical and unselfish. We know that nothing can be good for business which is not in the interest of the world and its peoples. We are convinced that real progress may be secured only by careful study, planning, and united effort. All that it is possible for us to do in these directions in solving the tremendous problems which beset us on every side, we are here to do.

In undertaking our part of this great task, Mr. Chairman, I am sure we must all feel its responsibility more definitely because of our environment. We meet in the most beautiful city in the world, happily preserved for all the world. We realize that for four long years it was under the guns of the common enemy. It is not possible for us to forget the hardships which it endured. We cannot eliminate from our minds the thought of the millions of splendid citizens of this glorious country who died so near to where we now sit in order that the world might continue to enjoy liberty and freedom of opportunity. The world is indeed heartless if the ideals for which they fought are not constantly kept in mind by we who survive, and if freedom and opportunity are not only preserved but taken advantage of to the full benefit of mankind.

We of the United States are proud that it was our privilege to have part in the achievement of victory on these terrible battlefields. It is likewise a matter of the keenest pride and satisfaction to us that we are now given the opportunity of uniting with you in what we know may be made a great and useful effort. Its success will be measured only by the sin-

cere and devoted services we give. Let us all pledge ourselves to do our best.

Election of Chairman

M. Etienne Clementel, Chairman of the French Delegation, was unanimously elected chairman of the Organization Meeting of the International Chamber of Commerce. In accepting the honor conferred upon him by the representatives of the five participating countries, M. Clementel said:

Before expressing to you my gratitude, I wish to take advantage of this opportunity to extend your thanks and my thanks to Mr. John H. Fahey and Mr. S. C. Mead, who have done so much to make this organization meeting a success. They are living evidences of that union of idealism and clear mindedness that we so frequently find in America.

I am proud to be in the chair. In electing me you have selected as chairman a man who, during the war, watched over the destiny of French trade and industries. The only merit I have, if indeed I have any, is to have understood the importance of economic cooperation. I realized that the sacrifices of our soldiers, even the death of our children, could not make victory certain. We had to pool everything that was ours.

As it has been so well expressed, the hour of individualism has passed, and it is not only a question of national cooperation within the different countries, but of international cooperation between the different nations.

Manufacturers fully realize that it is not only by the union of capital and labor and their cooperation that victory will be assured, but by union and cooperation between nations.

The five countries which waged this war are again united, although subsequent to victory we passed through a critical period. Some had a mysterious faith in the word "Peace," although victory was not yet ours. There was another enemy which we had to conquer. We had to struggle against the effects of the war, against the destruction of supplies, and the scarcity of raw materials and of labor.

It is precisely on account of the war that our needs have become greater and our resources have become less. That is why I understood the importance of the business mission we sent to the United States in October, 1919.

I again congratulate myself on having selected M. Eugene Schneider as chairman of the Business Mission from France to the International Trade Conference. Because of his incessant labor, his democratic spirit and his indefatigable good humor,

he made friends everywhere he went. The chair which you have so kindly entrusted to me is his by right. Fortunately, however, he will continue as chairman of the French Delegation.

The idea of cooperation is born. A bridge has been thrown over the Atlantic. Our task is hard. We wish to bring about as quickly as possible the restoration of the countries which have suffered so much. We wish to refurnish the world with equipment in order that peace production may again be attained.

Temporary Rules

Mr. John H. Fahey, Chairman of the Joint Committee on Permanent Organization, on behalf of that committee, proposed the following temporary rules, for the conduct of the meeting pending the adoption of permanent rules, which were considered and adopted:

I

The Chairman of the International Committee on Permanent Organization shall call the meeting to order. The first order of business shall be the selection by the meeting of a temporary president who shall act in that capacity until the president is elected and inducted into office,

Or

The Chairman of the International Committee on Permanent Organization shall call the meeting to order and shall act as temporary president of the meeting until the president is elected and inducted into office,

Or

The Organization Committee shall select a temporary presiding officer who shall call the meeting to order and who shall preside at that meeting until the president is selected and inducted into office,

Or

The Chairman of the French group in the International Committee on Permanent Organization shall call the meeting to order and shall introduce the chairman of that International Committee who shall act as temporary president of the meeting until the president is elected and inducted into office.

The meeting shall elect or provide for the appointment of secretaries of the meeting (if it is decided that the Organization Committee should select the temporary presiding officer, then the Organization Committee should also select the temporary secretaries for the meeting).

II

The meeting shall consist of delegates from organizations to which the Organization Committee in the respective countries has sent invitations and of individuals and business institutions which the Organization Committee has invited. The number of delegates from each organization who shall be entitled to vote shall be limited to a maximum of five. Upon arriving at the place of meeting the delegates shall immediately deposit their credentials with the Secretary.

III

A quorum for the transaction of business shall consist of a majority of the delegates who have deposited credentials. The decisions of principle shall be reached by a vote of two-thirds of the delegates actually present on the floor.

IV

The general order of business shall be:

Wednesday, June 23.

1. The formal opening of the meeting.
2. Adoption of these rules.
3. Adoption of program.
4. Appointment of Committee on Credentials.
5. Appointment of Committee on Resolutions.

Thursday, June 24.

6. Survey of present economic situation in each of the five countries.
7. Report of Committee on Credentials.

Friday, June 25.

8. Report of Committee on Permanent Organization re form of constitution and re rules and regulations.
9. Action on report.
10. Selection of directors under provisions of constitution.

Monday, Tuesday and Wednesday, June 28, 29 and 30.

11. General Program.

Wednesday, June 30.

12. Report of Committee on Resolutions.
13. Action on resolutions.
14. Adjournment.

V

After the adoption of a constitution, all the proceedings of the meeting shall be conducted in accordance with the provisions of the constitution, and with the rules and regulations adopted in connection therewith.

VI

Upon the adoption of the constitution, the directors shall be selected forthwith in accordance with the provisions contained in the constitution for the selection of the first board of directors.

VII

Immediately after the directors are selected they shall meet for the purpose of organizing and electing their officers, and of taking appropriate steps for placing the organization provided for by the constitution in active and effective operation.

Appointment of Officers

Baron Janssen, Chairman of the Belgian Delegation; Mr. A. J. Hobson, Chairman of the British Delegation; Senator Vittorio Rolandi Ricci, Chairman of the Italian Delegation; and Mr. John H. Fahey, Chairman of the American Delegation, were appointed Vice-Chairmen of the Organization Meeting.

M. Emile Jottrand of the Belgian Delegation, M. Alexandre de Lavergne of the French Delegation, Mr. R. B. Dunwoody of the British Delegation, Comm. Edmondo Valdiserra of the Italian Delegation, and Mr. S. C. Mead of the American Delegation were appointed Honorary Secretaries of the Organization Meeting.

M. Alexandre de Lavergne of the French Delegation was appointed General Secretary of the Organization Meeting.

Committees

Committees on Resolutions, Raw Materials, Finance, Shipping, and Production, Distribution and Unfair Competition were appointed. The purposes of the Committees on Raw Materials, Finance, Shipping and Production, Distribution and Unfair Competition were

to consider the subjects falling under their respective heads and to originate resolutions dealing with the questions involved, such resolutions to be referred to the Committee on Resolutions for consideration and report to the Organization Meeting. The personnel of these committees was:

RESOLUTIONS

Belgium

LOUIS CANON-LEGRAND.
ALEXANDRE DE GROOTE.

PAUL VAN DEN VEN.

France

E. CLEMENTEL, *Chairman*.
R. DUCHEMIN.

BARON DU MARAIS.

Great Britain

A. J. HOBSON.
SIR ALGERNON FIRTH.

SIR ARTHUR SHIRLEY BENN.
J. G. JENKINS, (*Alternate*).

Italy

MARCO CASSIN.

GIORGIO MYLIUS.

LUIGI GIROLAMO CUSANI CONFALONIERI.

United States

WILLIAM BUTTERWORTH.
EDWARD A. FILENE.

NELSON DEAN JAY.

RAW MATERIALS

Belgium

ALBERT NEVE.
LOUIS SPAAK.

ALFRED DE BROUCKERE.
ALEXANDRE CARRETTE.

France

CLEMENTEL, *Chairman*.
PINOT.
SAVY.
BISSET.
PELLE.
DE PEYERIMHOFF.
FERDINAND ROY.

PELLETIER.
TOUTLEMOND.
BERNARD.
ROCCA.
JULIEN POTIN.
LEVY.
ELBEL.

Great Britain

J. G. JENKINS.	W. A. LEE.
G. N. CHAPMAN.	JOHN PILTER.
E. T. AGIUS.	A. REE.
C. T. CRAIG.	A. J. SANDERSON.
E. DUMOULIN.	L. SOUCHON.
ARNOLD FORSTER.	G. C. VYLE.
EDWARD GARDINER.	RIDLEY WARHAM.

Italy

VITTORIO SALVADORI ANGIOLINI.	RICCARDO FALCO.
UGO CAPITANI.	UMBERTO FERRARI.
FILIPPO CARLI.	MARSILIO FERRATA.
LUIGI GIROLAMO CUSANI CON-	GIORGIO MYLIUS.
FALONIERI.	FRANCESCO GIANNINI.
FERDINANDO CUSANI CON-	SAN MARTINO DI VALPERGA.
FALONIERI.	RODOLFO GRASSI.

United States

J. H. BURTON.	CLARENCE H. HOWARD.
VAN H. MANNING.	JOHN H. FLEMING.
T. A. O'DONNELL.	N. F. HOGGSON.
HENRY A. SELLEN.	H. E. BEDFORD, JR.
HAROLD F. SHEETS.	JAMES FLOCKHART.
W. D. BALDWIN.	ROBERT M. GRINDLEY.
GEORGE P. BLOW.	EUGENE M. CARMAN.
WILLIAM BUTTERWORTH.	THOMAS E. COTTMAN.
F. S. GRIMSLEY.	FRED B. PETERSON.
FRANK H. JOHNSTON.	EDMOND WEIL.
O. L. ALEXANDER.	IVY L. LEE.
F. W. CLIFFORD.	

FINANCE

Belgium

WILLIAM THYS.	ALFRED DE BROUCKERE.
BARON JANSSEN.	ROBERT DE DECKER.
BARON EMPAIN.	JOSEPH MARCOTTY.
PAUL VAN DEN VEN.	

France

GEORGES PICOT.	DESFORGES.
R. G. LEVY.	BRIZON.
M. LEFEVRE.	PETIT.
HOMBERG.	BERROGAIN.

Great Britain

DR. W. LEAF.
 R. B. DUNWOODY.
 E. G. BARCLAY.
 HON. HUGO BARING.
 SIR ARTHUR SHIRLEY BENN.
 RT. HON. LORD BLYTH.
 C. B. CARRYER.
 SIR A. F. FIRTH.

S. J. GORDON.
 HON. J. M. MITFORD.
 RT. HON. LORD DESBOROUGH.
 A. J. HOBSON, *Chairman*.
 J. E. McCULLOCH.
 F. P. ROBJENT.
 SIR FELIX SCHUSTER.

Italy

MARIO ALBERTI.
 CANDIDO BARAVELLI.
 ANTONIO BIANCO
 MARCO CASSIN.
 GIUSEPPE CORRADI.
 LUIGI DELLA TORRE.

CARLO FELTRINELLI.
 GIUSEPPE NATHAN.
 EUGENIO PETRELLI.
 VITTORIO ROLANDI RICCI.
 ARRIGO ROSSI.
 EMILIO WIRZ.

United States

WILLIS H. BOOTH.
 FRED I. KENT.
 FESTUS J. WADE.
 JOHN F. HAGEY.
 JOHN O. COFF.
 ROWLAND W. BOYDEN.
 F. M. McWHIRTER.
 H. F. MESERVE.
 J. B. McAFEE.
 A. S. HEIDELBACH.
 W. L. HEMINGWAY.
 ALBERT D. GRAHAM.

JOHN B. BOLINGER.
 MAURITZ PYCK.
 ROBERT GRANT, JR.
 L. S. GILLETTE.
 M. B. LANE.
 J. J. LARKIN.
 FRANK R. HAMBURGER.
 CHAS. H. SHERRILL.
 BLYTHE W. BRANCH.
 CHALES PAQUET.
 H. C. ROBINSON.
 P. ALVINO.

SHIPPING

Belgium

ALEXANDRE DE GROOTE.
 LOUIS CANON-LEGRAND.

ALFRED DE BROUCKERE.
 ALBERT NEVE.

France

DE PELLERIN DE LATOUCHE.
 BRETON.
 DE ROUSIERS.
 PAUL HOUET.
 DE SABOULIN.
 BROCQUET.

SIBILAT.
 DUPEYRAT.
 DU PASQUIER.
 DENIS.
 MARCHEGAY.

Great Britain

R. DALGLEISH.	SIR ARTHUR SUTHERLAND.
H. L. FLETCHER.	J. T. STEEL.
A. W. HEARD.	F. WOOLEY.
G. DE LORIOI.	W. NORTH LEWIS.
JOHN McMURRAY.	

Italy

ARTURO ACQUARONE.	GIORGIO MYLIUS.
STEFANO ARDITI.	ZACCARIO OBERTI.
FRANCESCO BERLINGIERI.	ARROGO SAN MARTINO DI
CARLO BETOCCHI.	VALPERGA.
LUIGI GIROLAMO CUSANI CON-	VITTORIO ROLANDI RICCI,
FALONIERI.	<i>Chairman.</i>
VITTORIO MENEGHELLI.	

United States

E. G. MINER.	F. W. LIBBY.
H. BIRCHARD TAYLOR.	GEO. R. SINNICKSON.
D. O. PRESTON.	B. BORRIELLO.
WILLIAM COURLAY.	BARON FELIX CHAZAL.
HARRY A. BLACK.	H. L. VAN TRESS.
FRANK M. DUNBAUGH.	J. B. LANKERSHIM.
L. V. BENET.	J. B. LEVISON.
E. W. JONES.	GEO. A. GASTON.
W. S. OLSEN.	W. H. CALDWELL.

PRODUCTION, DISTRIBUTION AND UNFAIR
COMPETITION*Belgium*

E. ALLARD.	HUBERT SAVELKOUL.
HENRI RAU.	LOUIS CANON-LEGRAND, <i>Vice</i>
GEORGES BLOCK.	<i>Chairman.</i>

France

ROUME.	DEMARIA.
ANCEL-SEITZ.	HAVY.
BARON PETIET.	DUCHEMIN.
LEBOURGEOIS.	CROZIER.
PINOT.	TEMPLIER.
BAUDET.	LORTHFOIS.
FERRAND.	ROY.
LE CHATELLIER.	SAVY.
MASCART.	GUERINEAU.
ROCHE.	ROMIER.

Great Britain

E. MANVILLE.
J. A. AITON.
ATTWELL SMITH.
JOHN BUTLER.
A. W. FAIRE.
R. S. FRASER.
F. J. L. HICKINBOTHAM.
BARTON KENT.
JAMES LAW.

R. M. LEONARD.
E. B. MACPHERSON.
STANLEY MACHIN.
FRANK MOORE.
C. W. PHIPPS.
T. J. STOREY.
W. WRIGHT.
H. J. YATES.
J. N. ATTHILL.

Italy

FILIPPO CARLI.
MARCO CASSIN.
LUIGI GIROLAMO CUSANI CON-
FALONIERI.
UGO CAPITANI.

RICCARDO FALCO.
MARSILIO FERRATA.
VITTORIO MENEGHELLI.
AMBROGIO PARAZZOLI.
VITTORIO ROLANDI RICCI.

United States

WM. INGERSOLL, *Chairman*.
A. M. PATTERSON.
WM. N. TAYLOR.
W. W. KINCAID.
B. J. SHONINGER.
E. A. CAROLAN.
W. E. WELLS.
GEORGE E. PINGREE.
JOHN L. POWELL.
JOHN C. CURTISS.
PAUL W. BROWN.
FRED HEISKELL.
G. B. ROORBACH.

R. J. HAMILTON.
J. GRANT FORBES.
WALTER V. R. BERRY.
ROBERT H. CABELL.
ALBERT A. BLUM.
F. B. CASWELL.
HAROLD F. SHEETS.
PIERRE G. CARTIER.
CHARLES E. THOMPSON.
JAMES R. MACCOLL.
CLARENCE H. HOWARD.
ANSON T. MCCOOK.

Resolutions

The presiding officer, Mr. John H. Fahey, outlined the procedure to be followed in presenting resolutions and their consideration, stating that resolutions would originate from the floor or with the several committees appointed, that all resolutions would be referred to the Resolutions Committee without consideration of the Organization Meeting and that the Resolutions Committee would report to the Organization Meeting on each and every resolution referred to it recommending the disposition to be made of each.

The first session adjourned at 4.30 P. M., to reconvene at 10.00 A. M., Thursday, June 24, 1920.

PERMANENT ORGANIZATION

SECOND SESSION, THURSDAY MORNING, JUNE 24, 1920,
10 o'clock

The meeting was called to order by Mr. John H. Fahey, Chairman of the American Delegation, who presided at the second session.

The personnel of the Committees on Resolutions, Raw Materials, Finance, Shipping, and Production, Distribution and Unfair Competition, as recorded in the proceedings of the previous session, were again read.

Report on Constitution and Rules

Mr. John H. Fahey, Chairman of the Joint Committee on Permanent Organization, on behalf of that committee, submitted a report on a constitution and rules for an International Chamber of Commerce. The report follows:

At the International Trade Conference held in the United States at Atlantic City last October, it was the unanimous decision of the delegates from the financial, commercial and industrial interests in the five countries represented at that gathering that a permanent International Chamber of Commerce should be created. At that time a Permanent Committee on Organization was provided for, charged with the responsibility of drafting a form of constitution so devised as to give effect to the principles which were decided upon at that gathering. The purpose of the proposed International Chamber as defined at that meeting is:

"To facilitate the commercial intercourse of nations, to secure harmony of action on all international questions affecting commerce and industry, and to promote peace, progress and cordial relations among countries and their citizens by the co-operation of business men and their organizations devoted to the development of commerce and industry."

The Committee on Organization has devoted much time and careful study to the preparation of a plan appropriate to serve that purpose, and recommends for your consideration and adoption the accompanying draft of constitution.

Complying with the mandate received from the Atlantic City meeting, your Committee has endeavored to provide for the construction of an International Chamber, the keynote of which is service, and the machinery of which is so constituted as adequately to render that service, and efficiently follow to successful conclusion the plans or policies which from time to time may be adopted by the International Chamber.

Because of the varying conditions, the difference in customs and the difficulties of expressing the same thought in different languages, in order to avoid misinterpretation the Committee has felt it necessary to include in considerable detail specific provisions relative to the structural features of the constitution.

In certain other respects, particularly in the administrative provisions contained in the constitution, your Committee was impressed with the wisdom of clothing the directors with discretionary authority to develop the administrative processes and the plan and scope of activities along such lines of evolution as experience may show to be most useful.

When reduced to its basic factors, the plan proposed in the constitution is simple, and will, in the judgment of your Committee, prove effective and efficient in operation.

It is provided that in each of the member countries there shall be established a strong national organization, of a type appropriate to the individual country, for the purpose of securing a true representation of the main economic forces of the country as the basis for cooperation in the International Chamber.

The plan provides that the financial, industrial and commercial interests in Belgium, France, Great Britain, Italy and United States, shall be eligible to membership in the International Chamber, either as organization and voting members on the part of chambers of commerce and other representative business organizations, or as associate members without vote on the part of individuals, firms or corporations located in these countries. Such associate members will express their views through their respective national organizations. No provision is made for representation in the Chamber on the part of the governments themselves, although provision is made whereby a limited number of representatives of governments may participate in the meetings of the Chamber without, however, the right to vote.

In each of the five foundation countries the national organization or committee, provided for in the constitution, selects three members of the Board of Directors of the International Chamber to serve for a period of three years. The selection

under this provision is such that the terms of the Directors from one country do not expire in the same year. The Board of Directors is given authority to admit to membership from time to time business organizations in countries which may apply for membership, to determine their eligibility, and to fix the number of directors, if any, not to exceed two, to which the members in such country shall be entitled. The Board is also authorized to select a limited number of additional directors at large from countries not already represented in the Board in order to give representation to groups of countries or geographical sections which may not be permitted to be represented by directors from the individual nations. The Board of Directors is clothed with the power necessary effectively to direct the operation of the administrative machinery of the Chamber in carrying out the conclusions reached by the members.

Conclusions may be reached by the members in two ways: First, by action taken at a regular meeting, or second, by action taken through the process of referendum which is provided for in the plan.

One of the principal features of the plan which your Committee considers to be of the greatest importance is the provision for a permanent International Headquarters or Secretariat which shall constitute the administrative machinery of the organization. This Secretariat is to have a permanent location and is to be in charge of a General Secretary who shall at all times be under the direction and control of the Board of Directors, and who shall be responsible for the operation of the International Headquarters. The International Headquarters is to be equipped with such technical or expert staff and clerical assistants as in the discretion of the Board may be required.

The national organization or committee in each of the countries may select and maintain as its own expense in the International Headquarters an Administrative Commissioner as a constant point of contact in the International Headquarters between the members in the nation involved and the machinery of the International Chamber. These Commissioners constitute a part of the International Headquarters under the general direction of the General Secretary. Each Administrative Commissioner may be provided with such expert or clerical assistants as the national organization in his country may provide for.

The plan further provides that where a dispute or misunderstanding arises in the execution of a contract involving international trade, the parties to the contract may select one or more of the Administrative Commissioners to act as a Board of Arbitration upon the question involved.

In order to establish a point of administrative contact and cooperation in each nation represented in the membership, the plan provides for the establishment by the national organization or committee in a member country of a national administrative bureau to be created and financed by the national organization or committee in the country in question in such manner as that organization or committee shall deem best.

Proposals for memberships from a given country are to be endorsed by the national organization or committee in that country with, however, a right to appeal to the Board of Directors in case of failure so to endorse. The Board is authorized to pass upon applications for membership and to determine the number of delegates to which an organization member should be entitled, which in turn determines the amount of annual dues. The plan contemplates the collection of dues through the agency of the national organization or committee, which latter may add to the amount of dues required for the International Chamber a reasonable sum to be held by the national organization and applied to the expense of operating the national bureau.

The purpose sought is efficient and effective service through this International Chamber. To achieve this end it is essential that there be provided financial resources adequate in amount and promptly available. Such resources we believe will be secured ultimately from dues from organizations and associate members. Until this membership has been enrolled in adequate numbers, it is necessary that a temporary plan for financing the Chamber during its formative stage be devised.

Your Committee therefore desires to emphasize the necessity, on the part of the commercial and financial interests in the countries represented in the membership, of giving hearty support to the Board of Directors in the constructive task imposed upon them.

In reaching its conclusions and in recommending this proposed constitution, your Committee has been unanimous. In the unanimous judgment of your Committee the plan contained therein provides a practical, efficient international organization, clothed with effective administrative machinery, and at the same time preserves a proper recognition of the national organization of business and provides elasticity in the development of the Chamber based upon the fundamental principles set forth in the constitution.

Adoption of Constitution and Rules

The constitution for an International Chamber of

Commerce, proposed by the Joint Committee on Permanent Organization with the recommendation that it be adopted, was considered at length, amended, and, as amended, unanimously adopted. (See Appendix C).

Rules

The rules for the conduct of the International Chamber of Commerce proposed by the Joint Committee on Permanent Organization with the recommendation that they be adopted, were considered, amended, and, as amended, unanimously adopted. (See Appendix D).

Consideration of the subjects provided on the program for the morning session having been completed, it was unanimously decided to consider the subjects provided on the program for the afternoon session, that of presentation of resolutions and their reference to the Committee on Resolutions, and the presiding officer again called the attention of those in attendance to the procedure to be followed, as outlined in the proceedings of the previous session.

The second session adjourned at 12 noon to reconvene at 3 P. M., Friday, June 25, 1920.

RECONSTRUCTION

THIRD SESSION, FRIDAY AFTERNOON, JUNE 25, 1920,
3 o'clock.

The meeting was called to order by Mr. A. J. Hobson, Chairman of the British Delegation, who presided at the third session. The special subject for consideration at this session was reconstruction.

Resolution No. 1, regarding reconstruction of the devastated regions, proposed by Mr. Hobson of the British Delegation and supported by Messrs. Coffin and Fahey of the American Delegation, was considered, and after having been approved by the Committee on Resolutions, was adopted. (See Appendix B.)

Comm. Vittorio Meneghelli, on behalf of the Italian

Delegation, addressed the meeting on the subject of reconstruction.

Address by Comm. Vittorio Meneghelli

Member of the Italian Delegation

The retreat of the Italian army from the Isonzo to the Piava in October and November, 1917, opened the way to invasion by the enemy of a total area of 1,402,033 hectares of territory having a population of approximately 1,400,000. It comprised half of Venetia, or, to be exact, the entire Provinces of Udine and Belluno, and parts of Treviso, Vicenza and Venice. The total extent of field and forest included in the invaded territory was 1,180,573 hectares, the productive area of which included arable lands, 354,745 hectares; permanent meadows and pastures, 473,628 hectares; woods, 224,637 hectares.

The average of the principal crops for the three years before the war amounted to 664,857 quintals of wheat, 2,367,224 of maize, 1,856,209 of grapes, 16,000,000 of forage, and 3 to 4 million kilograms of cocoons. The livestock existing in this territory numbered approximately 450,000 oxen, 50,000 horses, 150,000 pigs and 150,000 sheep.

It can easily be understood that the effects of the invasion varied with the line of defence, which finally reached south of the line between the upper Brenta and the Piava, at which point the enemy advance was stopped.

At the time of the invasion the Provinces of upper Venetia were in a state of advanced prosperity, due to the development of agriculture, which was particularly good in the plains, and also to the development of certain industries in the different centers of those regions. After a year of enemy occupation, our troops were victorious. These provinces were then in the same lamentable condition as the territory on the different allied fronts which had fallen under the domination of the enemy. To the complete destruction produced by the violent shelling over a zone of a dozen kilometers in depth along the entire front, and to the greater or less damage caused in the zones situated outside the field of military operations, must be added the systematic devastation and pillage wantonly carried on by the enemy, as well as the almost total deportation of movable property of all sorts which had any value.

It is not easy to supply exact statistics of the total extent of war damages suffered by the Venetian provinces, as the total is now being computed. It may, however, be roughly estimated that the loss will approximate 7½ billions of lire.

The industrial damages alone have been estimated at more than half a billion, those of the entire Trentine at a billion and a half, and those of Venezia Giulia at more than 2 billions.

Among the most urgent problems in connection with the restoration of the liberated regions are those of reconstruction of buildings, and the reorganization of agriculture and of the industries.

The problem of agrarian restoration dominates all the others, for agriculture forms the principal means of existence in the liberated districts.

The specific types of agriculture in these regions are determined chiefly by the location of the cultivated lands, nearly half of which are situated in the mountains, a sixth on the slopes, and the balance on the plains.

In the mountains the pastures and the forests are the principal sources of wealth. In the other regions the predominant industry is intensive and extremely productive agriculture, which before the war had attained a very high stage on the improved lands of the coast.

In the second place, there is to be considered the providing of livestock of all sorts necessary for the working of the land. We have already mentioned the number of livestock existing in these regions before the war. When our troops reoccupied the territory, there remained less than the tenth part of said livestock.

For the immediate revival of the agricultural life, not including motor-equipped machinery, it is estimated that 130,000 work animals are necessary, 100,000 oxen and 30,000 horses, as well as 40,000 milk animals, and an equal number of sheep for grazing in the mountain pastures.

Of agricultural machinery, implements and tools, it is estimated that it has been possible to save only half of the supply existing before the war. The lowest minimum necessary for the purchase of machinery indispensable for placing agriculture on a pre-war basis is estimated at from 20 to 25 million lire.

The problem of the reestablishment of agrarian bonuses is tied up with that of agricultural restoration.

The zone of the Adriatic littoral invaded by the enemy extends from the Isonzo to the Piave Nuovo and included the improved agricultural districts.

The numerous rivers of the region, the Isonzo, Corno, Tagliamento, Piava, Sile, after descending from the high plateau and the intermediary districts, spread out over the low country, forming swamps and marshy valleys, which are very

unhealthy and practically unproductive. Through improvement projects and draining, the larger part of these swampy regions had been transformed into highly fertile lands, which were cultivated before the war on a most progressive scale and furnished a very high production, 18 to 24 quintals of corn to the hectare, 30 to 40 quintals of maize, and 400 to 600 quintals of beetroots.

More than 65,000 hectares of these lands, of which 45,000 might be considered as improved, were occupied by the enemy.

Of the 80 improvement projects that suffered during the war, two-thirds have been completely restored and it is hoped that the rest may be restored by next summer.

Another problem that pressed for solution was that of restoring the means of communication. In the course of his occupation, the enemy had entirely neglected to maintain the splendid roads in these provinces which were the glory of Venetia. After the enemy had been driven back and two armies had passed over these districts, the roads would have been absolutely impassable if our troops had not rapidly repaired them. The same may be said of the railroads, bridges and viaducts that the enemy had blown up when in flight. Our military engineers at once set to work to reconstruct the bridges, restore the railroads and other means of communication in order to render possible a speedy return of life in these unhappy districts. Certain provisional constructions are about to be replaced by permanent ones.

Although the Venetian provinces invaded by the enemy are chiefly agricultural, yet in later years, and principally in the zones situated at the foot of the mountains, certain flourishing industries such as textile, chemical, electrical, mechanical, alimentary, etc., plants have been developed. We have already stated that the war damages to industries are estimated at more than half a billion lire.

A large part of these industries, such as cotton, hemp, silk and jute, are located in the valley of the Piava and adjacent regions. The wool and silk industries are located in the valley of the Astico. So it is comprehensible that the factories in the immediate neighborhood of the lines of fire were completely destroyed. Where industries were situated on the farther side of the line, the enemy generally appropriated the machinery or destroyed it before flight.

From a preliminary calculation of the war damages sustained by the industries of the Venetian provinces, it is known that the most seriously affected, in the order of damages sus-

tained, were the textile, mechanical, electrical, timber, and chemical industries.

Here, also, the problem of reconstruction of the industries has hardly been attacked. Only a part of the destroyed establishments are in process of reconstruction, and machinery, stocks, etc., will still have to be provided. One does not see how all these questions can be solved speedily without a prompt reparation for damages caused by the war.

The steps taken by the Government to provide finances for the reconstruction of the liberated districts may be classed in two categories. The first includes all the entries on the state budget for the execution of pressing works of public utility; while the second includes all the arrangements for furnishing pecuniary aid to local institutions interested in the reconstruction of the invaded or restored provinces, and to facilitate and encourage private enterprises in the restoration of the liberated regions.

Under the second head may be classed all those arrangements which are intended to facilitate agrarian credit through subsidies made to individuals.

The State has already advanced 120 millions at 1% interest to credit institutions. Finally, by Decree No. 497, of March 24, 1919, a Federal Credit Institution for the restoration of Venetia was founded to:

a. Make advances on the indemnities for war damages in process of valuation or liquidation by the State;

b. Make advances or subventions to joint enterprises or private individuals undertaking reconstruction work or restoring lands to workable condition.

The maximum limits of advances on war damages are, respectively, 50% on urban buildings and lands, 45% on industrial buildings, and 40% on damages to moveable property.

The following is a summary of all of the financial measures taken to date in favor of the invaded regions:

Allocations made by the various military authorities, 500 million lire.

Allocations made by the commissioners of the Government of Treviso, 150 million lire.

Allocations made by the Magistrate alle Acque of Venice, 72 million lire.

Allocations made by the Federal Credit Institution for Venice, 350 million lire.

Allocations made by the Finance Office, 50 million liras; or a total of 1,122 million lire.

As to future measures, they are all included in two series of arrangements; that is to say, new allocations made by the Administration of Finance to the extent of 700 million lire payable in quarterly installments of 50 millions each, and by the Federal Credit Institution of Venetia to the extent of 600 million lire payable in quarterly installments of 150 millions each.

To meet the later needs of the invaded districts, the government has decided to issue a special loan of 4 to 5 billions in three successive series of $1\frac{1}{2}$ billions each. The first series will be issued at the end of 1920 or the beginning of 1921. The dates for issuing the second and third have not yet been fixed. As will be seen, although slowly and in a manner not entirely adequate to meet the urgency of our needs, the Government has not failed to encourage and facilitate the restoration of the regions devastated during the war. The damage, however, is so wide and so great, the desire of the inhabitants to see it repaired without delay is so keen and intense, that they are now as impatient and discontented as they were calm and resigned in exile, when they awaited the issue with confidence and at the same time fully conscious that they were suffering for the best interests of our country and of civilization.

The third session adjourned at 4.15 P. M., to reconvene at 9.30 A. M., Monday, June 28, 1920.

FINANCE

FOURTH SESSION, MONDAY MORNING, JUNE 28, 1920,
9.30 o'clock.

The meeting was called to order by Mr. A. J. Hobson, Chairman of the British Delegation, who presided at the fourth session. The special subject for consideration at this session was finance.

Resolutions Adopted

The Committee on Resolutions reported to this session five resolutions, which originated with the Committee on Finance, and, on recommendation of the Committee on Resolutions, each of the five resolutions was adopted. These resolutions (see Appendix B) were:

Resolution No. 2, regarding duplicate taxation.

Resolution No. 3, regarding reduction of governmental expenditures and personnel.

Resolution No. 4, regarding a foreign credit interchange bureau.

Resolution No. 5, regarding credit facilities to buyers in Allied countries.

Resolution No. 6, regarding inequality of treatment of foreign banks.

M. Georges Picot, on behalf of the French Delegation, and On. Avv. Marco Cassin, on behalf of the Italian Delegation, addressed the meeting on the subject of finance.

Address by M. Georges Picot

Member of the French Delegation

At a meeting like this, where questions of every sort have been raised and examined as matters of interest to the whole world, the difficulty lies in knowing how to limit our ambitions.

Speaking in the name of the French bankers, I may state at the outset the subjects we voluntarily leave aside. We have them constantly before us. Our minds are not made up concerning them because, as our Minister of Finance told you a few days ago, they are beyond our scope. We are here to examine into everything affecting our interests as men of business. These interests, it is true, may be seriously influenced by the negotiations now being carried on between the various states. We have no wish in the midst of negotiations of so delicate a character to utter any imprudent words that might embarrass our negotiators. We shall therefore confine ourselves to matters of private interest.

We shall not forget that we are among the countries that have suffered most from the war. On our lands war has raged and we provided the battlefields on which the belligerents have heaped ruins during more than four years, paralyzing for many years to come the resources of our richest provinces.

In reminding the Allied nations that the war will not be really terminated until the battlefields have been restored to their pre-war state, and the ruins have been rebuilt, we are only speaking of our private interests and keeping within our sphere of action.

It was not only a question of raising armies, equipping, maintaining and providing them with supplies and munitions

during the war; but also the mobilization of all the means of transportation to serve these armies in the countries where the war was carried on; the paralyzation of all means of production in the country occupied by troops during the period of hostilities and also during the months immediately following. All this forms part of the burdens of war which the Allies had agreed to bear in common.

Are they about to let France bear that burden all alone? Alone bear the expense of the reconstruction of the battlefields?

Ah, Gentlemen, I feel sure your reply is "No."

During this meeting we have felt the hearts of our Allied American and English bankers throb with feelings of justice that comfort the hearts of Frenchmen, Belgians and Italians with the certainty that the reconstruction of the battlefields is considered as an integral part of that expense of war that must be shared in common by the Allies.

It is perfectly evident that if the Allies consider that reparation is incumbent on the responsible perpetrator of all these ruins, if they have the means of throwing upon him the obligation of bearing the cost, they can do so, but only if they are ready to make that responsibility effective by compelling Germany to pay. It is not fair that the devastated countries should alone be expected to advance the necessary funds. In all justice they should be the very last to be called upon to do so, since they have been deprived of a considerable part of their means of production.

We consider, therefore, and in saying this I think I am also speaking for our Belgian and Italian friends, that the Americans and the British will discharge their obligations toward the devastated countries only when they have compelled Germany to make reparation for all the ruin she wrought and when they have assumed their proportionate share of the advances, taking into account the impaired resources of the countries laid to waste.

We do not refuse to bear our share of the expense for restoration and of the advances therefor. We may say, without fear of any contradiction, that in this respect we have to date done more than our share.

Without having yet received any payment from Germany, without even having obtained restoration of the wealth stolen from our invaded provinces, we have labored to such purpose that two of the provinces will produce this year more than the quantity of cereals necessary for their consumption. Is not this a result that should make our Allies trust us?

We are aware that the critical state of the exchange,

natural as it is in a country where all the productive forces have been concentrated for more than four years in the creation of products destroyed by the war as soon as produced, cannot be adjusted by artificial means. It originates a disturbance in the economic balance. It is this balance that must be re-established. We know that it can only be reestablished by labor and production.

All classes of the French nation understand this. The Parliament, financiers, manufacturers, farmers and workmen alike have felt that a considerable effort has to be made to prove to the world that if the sense of justice compelled us to solicit the help of the Allies for the restoration of the battlefields, we did not intend that that assistance serve as a means of reducing our own personal effort.

The day after the signing of the armistice our bankers gave as much credit to manufacturers as they could possibly require in the absence of raw materials. As the means of reconstruction increased, so was the credit increased. The public were called upon to contribute. Increases of capital, subscribed as soon as the issues were announced, became more numerous. Bond issues followed. We are still only in the period of reconstruction. There is one thing that no amount of money can restore, and, alas, that is the two million men killed or maimed; that is, one-fifth of the human capital of France.

Our farmers have made an effort the result of which will be to reduce to a small amount the shortage in grain from the approaching harvest.

The great majority of our workmen demonstrated last month that they fully understood the new duties devolving upon them for the healing of the wounds suffered by the mother country during this long war.

Finally, the Parliament, only recently elected, has accomplished within a few months, sanctioned by unanimous public opinion, the most tremendous financial effort that ever was witnessed. It has voted eight billions of francs of new taxes for a population of 39,000,000 Frenchmen, who already pay 13 billions of francs. This corresponds to 551 francs per head. It is equivalent, at the pre-war rate of exchange and taking the population into account, to \$11,234,000,000 for the United States.

Let the Allied countries have faith in France. She is determined to work, to produce, to export, to reestablish the economic balance. She will meet all of her debts. She will certainly ask for time, because it is necessary to await the results of the reconstruction of our country ravaged in certain parts and exhausted in others. We know the necessary time

will be granted to her. For this we count on our friends, the American and English bankers. With their sentiments on the subject we are well acquainted because of the new proofs they have given us in the course of our recent meetings. We rely upon them to enlighten public opinion in their respective countries.

We have been told that American banks were no longer in a position to extend further credits, because they have exhausted their available funds and have been reduced to their reserves, which they cannot touch. That for the same reason, they could not accept foreign securities on their own account, and consequently they could only act as intermediaries for the placing of shares with the public, which public is adverse to the absorption of foreign securities.

Our reply is that we fully understand the difficulties surrounding the task of modifying customs and inducing the Americans gradually to accept foreign securities. We refuse, however, to believe that the task is beyond the strength of our friends, the American bankers. In fact, they have accustomed us to the belief that nothing is impossible for them when they choose to do it.

In their country, where banks are numbered in the twenties of thousands, but a very trifling individual effort would be needed to obtain immense results. We feel sure that effort will be made.

During the first three years of the war it was said that public opinion in America was indifferent to what was happening in Europe. The wonderful change that took place in that opinion directly it was felt that the real interest of America lay in coming into the war, leads us to the firm hope that if American bankers are so resolved, and if they express the opinion that to-day America's real interest lies in helping Europe, by accepting her securities, to reestablish the economic balance, opinion will readily change and respond once more to the appeal confidently addressed to it by the countries which served as the battlefields of the world.

In the name of French bankers, I beg to thank our American, English, Belgian and Italian colleagues for attending this meeting in such numbers to study on the ground our endeavors toward reconstruction. They have told us they appreciate those efforts. We have felt the sympathy of those who have attended. That sympathy is sweet to us. But there remains a task to be accomplished among those who were unable to come, particularly on the other side of the ocean, and that is to make them understand the great work of solidarity that remains to be

effected. We feel confident that the sympathy and courage of our friends will be equal to the task. The cordial intercourse we have enjoyed during this meeting is the best proof of that.

Address by On. Avv. Marco Cassin
Chairman of the Italian Delegation

The fourth and fifth resolutions, proposed to the Committee on Finance by the Italian Delegation, which have just been approved by the general meeting of the delegates to the organization meeting of the International Chamber of Commerce, were inspired by the necessity of a larger facility of credit for supplies, especially of raw materials, and of an easier expansion by credit institutions on the basis of reciprocal privileges.

You know how needful of raw materials Italy has always been. Before the war we received 1,391 million lire of raw materials for our industries, while we did not export but 361 millions of same. You know how the countries who have joined in the war and fought in common since the beginning have been shaken in their economic conditions, and therefore how needful they are of credit. Italian tradesmen and business men do not ask you to renounce actual guarantees, or to furnish your raw materials under cost. On the contrary, they are ready to accept your conditions. They ask you simply to facilitate as far as possible the necessary credit in order to allow them to receive what is indispensable for their life. In other words, what we demand, in full accordance with our French and Belgian friends, is to facilitate trade between the richer countries and those that have been more seriously weakened by the war. And we demand this from our colleagues, the British, and more so from our colleagues, the Americans, having regard to those same principles which inspired you when, after the unforgettable reception you were good enough to extend to our economic missions in your great country, you initiated the idea of an International Chamber of Commerce to develop commerce by facilitating trade between nations, to secure harmony of action on all economic questions, to serve the cause of peace and human progress thus bringing about cooperation and solidarity in the efforts of men who devote their activities to commerce and industry.

Italy has accepted with enthusiasm your noble proposition which tends to the creation of this institution. Italy has already accepted with a similar enthusiasm the idea of a worthy American citizen, Mr. David Lubin, for the foundation of the International Institute of Agriculture, which was born in Rome

under the auspices of King Victor Immanuel III. We, the representatives of Italian commerce, and of the Italian industrial organizations, see all the beauty and all the idealism of your new conception which joins the practical business with a high ideal note of moral solidarity. Effective cooperation will ensue, and it will gradually grow amongst all countries, but it has been the creation of those countries who fought together, who passed through the same anguish, who lost for the same cause their own children, and who still this day, although in different measures, bear the same sufferings. These countries are today bound together as the result of a struggle fought together for the cause of justice, for victory against the most savage aggression, and against the most abominable spirit of domination and violence. It is our duty to make these ties of brotherhood and of reciprocal trust more and more intimate and strong, even though it should be at the greatest sacrifice.

Yes, gentlemen, aside from every moral consideration, material dangers have not yet disappeared. Other duties weigh upon us and oblige us to strengthen these ties. The war, which brought about the solidarity of the peoples who fought together, has ignited the wildest passions. A spirit of hatred against the producing classes has developed more or less everywhere. Therefore a new solidarity, a stronger, a more resistant solidarity for the common welfare, must unite the producers in all countries in order to stem the unhealthy currents which overflow the world, and which are a serious danger to the very foundations on which our social institutions are based.

We, who are aware of the dangers still facing us, dangers which oblige us to concentrate all our vigilance and force of resistance, are most gratified in finding in this new institution, the International Chamber of Commerce, the crucible, so to speak, of our agreements and of all the steps we must take in order to meet the dangers facing us. Grave duties are therefore before us on account of the financial and moral situation in all countries. The sacrifices borne with such endurance by the peoples who fought shoulder to shoulder are by no means at an end. On the contrary they have increased.

Italy, whose economic and financial structure is weaker than that of any other country of the Entente, did not hesitate to choose the course dictated by her conscience when the great world struggle began. Neutral at the beginning, she threw her weight whole-heartedly into the fight in May, 1915, under the impulse of brotherhood towards civilized countries, and for the redemption of the Italian provinces which still lay under the

Austrian yoke. Neutrality first, and then Italy's entry into actual war were decisive for the common victory.

Italy entered that struggle burdened with a national internal debt of 15,000 million lire; now the national debt has reached the figure of 95,000 millions, of which 20,000 millions is payable to foreign countries.

The one item of maintaining bread at a reasonable price costs the Italian treasury 5,000 millions of lire a year; and, moreover, most of the public services are running at a loss of considerable amounts.

The ordinary revenue of the budget, which during the financial year 1913-14 (July 1 to June 30) was 2,409 millions of lire, has increased to 7,459 millions; and today the capital levy has been applied at progressive rates, starting from 4.50% for capitals of over 50,000 lire, up to 50% on capitals of 100 million lire or over. And that is not all. The new ministry, under the premiership of Signor Giovanni Giolitti, which has been constituted on a very large parliamentary basis in order that it may cope with the present difficult situation, has just proposed to Parliament some new sacrifices to reinstate the budget, and to allow the country to return earlier to financial stability. The Italian producing classes will certainly not hesitate in the presence of any effort intended to support the government in its work of reconstruction and of national economy. When over 500,000 men have given their lives, and as many are permanently disabled, for their country, fortunes will be readily and willingly sacrificed for the same purpose. The Italian people have already assisted the government to the amount of approximately 47,000 million lire by absorbing loans and Treasury bills. Certainly they are prepared to further respond to any appeal from their country.

However, strictest economy in government expenditure is indispensable, and the new government has made that one of the leading points in their program.

Thanks to the new financial measures, inspired by a wholesome and severe democratic policy, the period of social unrest which has been an aftermath of the war practically in every country, will doubtless cease. On the other hand, owing to a strict policy of saving and economy, joined by activity in production and work, Italy will soon find the means for reducing the fiduciary circulation that considerably increases the cost of living and produces depreciation in the exchange.

The amount due to Italy by her former enemies as reparation, which is estimated at 66,000 million lire, will allow her to pay her debts to foreign countries, thus restoring substantially

her financial position. Our foreign trade is progressing substantially. Imports have considerably diminished. Exports have notably increased. Comparing the balance of trade in the first four months of this year with the same period of 1919, it appears that imports are reduced by 1,127 million lire, whereas exports have increased by 1,185 million lire. In other words, there is a total progress in our balance of trade in the first four months of this year of 2,213 million lire as compared with the same period last year.

Such progress in our foreign trade, which should continue, will bring about an improvement in the rate of Italian exchange, which has caused deep concern by its wild fluctuations in the first months of the current year, justifying the measures which the government were obliged to accept in order to restrict such movements. Today, the rates of exchange are as follows:—

England	64	lire to the pound
United States	16	lire to the dollar
France	135.35	lire to the 100 francs
Switzerland	291	lire to the 100 francs
Belgium	140.25	lire to the 100 francs

Now, considering that in April last our exchange was 410.416 as against Switzerland, 142.50 as against France, 90.42 as against Great Britain, and 22.74 as against the United States, it must be recognized that the recovery is already satisfactory. If it were possible to go down gradually to more reasonable rates and avoid fluctuation, the State would have a large profit as it would reduce expenditure; and on the other hand, national economy would be encouraged with most beneficial effects on social peace.

Gentlemen, Italy is well aware of her financial and moral situation. The Italians are a people known to be active, serious and determined in their resolutions and in their rightful claims. They know thoroughly the amount of suffering endured and are in a position to understand and to adopt the necessary means for recovery.

The sufferings of the Italian people are due to the noblest of all causes. The Italians know the gigantic struggle that we have fought together and that we have won. When we have been able to gain such a wonderful victory, all the rest becomes really very easy.

Italy will not fail to reach her destiny in the world. A country of about 40,000,000 inhabitants, who are intelligent,

active, plucky, thrifty, and fond of working will soon be able to accomplish the work of reconstruction which is before it.

In industry, in agriculture, in commerce, Italy having at her disposal 5 million horsepower in her waterfalls has before her an enormous field of work, and an inexhaustible mine of energy to exploit.

Dear American, British, French and Belgian friends, do not refuse your unlimited confidence. Italy has been your faithful, strong and intimate ally during the long and terrible years of war. She will also in the future be your cordial and trustworthy companion in the work of peace for the progress of civilization in the world.

The fourth session adjourned at 11.15 A. M., to reconvene at 3.00 P. M., on Monday, June 28, 1920.

ECONOMIC SITUATION

FIFTH SESSION, MONDAY AFTERNOON, JUNE 28, 1920,
3 o'clock.

The meeting was called to order by the Premier of France, M. Millerand, who presided at the fifth session. The special subject for consideration at this session was the economic situation in each of the five participating countries.

M. Etienne Clementel on behalf of the French Delegation, Baron Leon Janssen on behalf of the Belgian Delegation, Sir Arthur Shirley Benn on behalf of the British Delegation, Senator Vittorio Rolandi Ricci on behalf of the Italian Delegation, Mr. Willis H. Booth on behalf of the American Delegation, M. Eugene Schneider on behalf of the French Delegation, and the Premier of France, M. Millerand, addressed the meeting.

Address by M. Etienne Clementel

Member of the French Delegation

On behalf of all of my colleagues who are gathered here, on behalf of the numerous and important groups which they represent, I thank you, M. Millerand, for having absented yourself for a few moments from your onerous labors to preside over the official inauguration of the International Chamber of Commerce.

In doing this you desired, I know, to show that the government of France understood the motives which moved the representatives of the leaders of industry of the four countries who aided us in assuring the triumph of right and liberty, to choose France as the headquarters for their first meeting, and that they appreciate the motive of high inter-allied patriotism which led them to select Paris,—whose walls seem still to be echoing from the bombardments,—as the cradle for the powerful organization they are going to create.

You also, in accepting our invitation, wished to show that you have not forgotten the years during which you presided so efficiently over the destinies of French commerce. At that time,—it was in 1900,—you were the real leader in that great manifestation of international union, the Universal Exhibition.

France, which for thirty years had been pursuing in silence and with stoical courage its work of restoration; France, which had repaired the disasters of that terrible year and then was peaceful, was steadfastly at work. Confident in the future, France welcomed all peoples, even her bitter enemy, and called around her banner,—the banner of human fraternity,—all men of good will. She hid the incurable wound which she carried in her side, patiently awaiting for the revenge that was hers by right.

Twenty years have passed. Though she herself did nothing to precipitate the course of destiny, the hour of justice has nevertheless sounded. You are here inaugurating a new international court of arbitration, but this time in the name of a France reconstituted, victorious and glorious, thanks to the heroism of her children and the children of all the nations who responded to the call of humanity in danger, and especially the children of the four great countries whose representatives greet you today,—the sons of Belgium, Italy, Great Britain and the United States,—in whose blood is sealed our common and perpetual friendship.

The war of liberation being terminated, the people who have stamped out Germanic militarism have a sacred debt to fulfill towards those who have fallen for the holy cause. It is their duty not to allow that ideal to decline in the name of which so many of their sons have died. It is their duty, whatever be the difficulties of the task, to pursue their ideal of human brotherhood in the establishment of a durable peace.

That is what the bankers, merchants and manufacturers of the United States thought when a year ago they requested the representatives of the federation of their 1,400 chambers of commerce to invite their colleagues of the Allied countries of Western Europe to associate themselves together to maintain

that close cooperation which is indispensable in the restoration of the world.

With nothing to ask and nothing to receive, they came over, instead of remaining in the midst of their prosperity, to offer to stimulate through private initiative the economic cooperation and mutual aid which had been so valuable in giving our armies the means of overthrowing the enemy.

Their colleagues of France, Great Britain, Italy and Belgium responded cordially. At the conference held last October in Atlantic City, N. J., it was unanimously decided by the Allied business missions to create a permanent organization to be known as the International Chamber of Commerce. Thanks to the efforts of the eminent and indefatigable chairman of the French Delegation, M. Eugene Schneider, who, with the active and valuable cooperation of Mr. John H. Fahey, chairman of the American Delegation, for the past two months has been completing the details for the organization meeting, the work conceived by our American friends is an assured realization.

What finer or more noble task could there be than that undertaken by the leaders of industry, the business men and financiers of the five countries, who are united by the memory of the same sacrifices and the same sufferings, than to develop further that sentiment of fraternity and solidarity among those groups of people one might have thought were hermetically sealed by jealous individualism; than to show that all conflicts even the conflicts of opposed interests, can be settled in a peaceful and friendly way through frank and clear explanations, through a systematic desire to seek solutions that will bring one another together rather than divide them; than to have altruism, concord and harmony reign, instead of individualism and national imperialism; and finally to destroy in the soul of the vanquished enemy of yesterday that hope, apparently haunting them, of finding in the bitterness of economic struggles between the victors the germ of new conflicts that would aid an appeal from the definitive judgment that has been given against the spirit of domination and conquest in the name of human right.

These business men, these practical leaders of industry, who combine idealism with realism, seeing that the great conflagration which our armies were only able to put out at the cost of superhuman effort and sacrifice may again flare up, have understood that it is essential to strengthen rather than weaken the bonds between us.

That is why they have confined the organization of the International Chamber of Commerce to the five Allied nations with the provision that the other allied and neutral nations may

be admitted at a later date, and even Germany, when she demonstrates that she will fulfill her agreements, that she will repair the damages she has caused, and that finally she will cast off forever that cloak of Nessus-Prussian militarism.

I wish I had the time to outline to you the comprehensive program which the International Chamber of Commerce has prepared. The resolutions which have already been adopted by the organization meeting provide a basis for activity wide and comprehensive in scope, a plan of work which is ideal and at the same time realistic. There is, however, one of these resolutions which I desire to specially bring to your attention.

On behalf of the British Delegation, Mr. Hobson, President of the Association of British Chambers of Commerce, whose two sons, his only children, volunteering at the age of 18 and 20 years, are sleeping their last sleep in the soil of France, presented a resolution which was warmly supported by the American Delegation and adopted at the first general session of the organization meeting. It is this:—

WHEREAS, The International Chamber of Commerce regards the reconstruction of the devastated regions of France, Belgium and Italy as the most urgent and important matter to be undertaken without delay; and

WHEREAS, The International Chamber has taken note of the failure of Germany to reduce her army, and armed forces other than regular troops, to the level required by the Treaty of Peace; and also of the failure of the Germans to deliver the amount of coal and other supplies which they undertook to provide, and is of the opinion that the Germans have not as yet given any evidence of an honest desire to honor their signature to the Treaty of Peace:

Therefore, be it

RESOLVED, That the International Chamber of Commerce urge that the governments of the Allied nations clearly and definitely inform the German government that further postponement will not be permitted in carrying out the obligations Germany has undertaken regarding the restoration of the devastated areas and in fully complying with the terms contained in the Treaty of Peace.

And be it further

RESOLVED, That copies of this resolution be transmitted to the Premiers of the Five Allied Countries.

I hand you this resolution, Mr. Minister, in the same way that the leaders of the other delegations will hand it to their respective prime ministers; and at the same time inform you that it is the sincere expression of the will of the representatives of commerce, industry and finance of our two great allies to devote all their efforts, as far as their means permit, to make this vow of fraternal piety a reality.

The first manifestation of the International Chamber of Commerce shows that the manufacturers, business men and bankers as well as their numerous constituents, who are united here, and whose aim is to help in the reestablishment of the economic equilibrium and the financial reconstitution of the world, consider that this economic equilibrium and world restoration will not be possible or durable until the material and economic restoration of the devastated regions has become an accomplished fact.

It is to hasten this restoration that the representatives of the industrial and banking communities of our two great allies, in a noble sentiment of solidarity, are going to devote themselves, in their own spheres and in every way possible, especially by means of financial aid and cooperation and the supplying of raw materials on easy terms.

Under the auspices of this comforting and symbolical manifestation, which includes a programme of serious work, I place the destinies of the International Chamber of Commerce, which I declare to be officially constituted.

Address by Baron Leon Janssen

Chairman of the Belgian Delegation

When the great war broke out, Belgium had enjoyed an uninterrupted period of 84 years of peace. Little wonder, then, that our country was prosperous and had even surpassed some of the larger countries of Europe in the importance of her trade and industry.

The war annihilated a great part of this prosperity. On the morrow of the armistice, Belgium found her land devastated, many of her towns and countless villages destroyed, her industries and factories plundered and wantonly ruined, and a population weakened by long years of suffering and privation. The task confronting the nation,—the rebuilding of her towns, of her trade and of her industry,—was a huge one.

We will not dwell upon the evils and disasters the war scattered broadcast over our country. This is no time for vain repinings. Action and energy are what are needed. Authoritative voices have pointed out the havoc wrought by the German hordes, and I merely mention it again to more thoroughly emphasize the considerable progress achieved in the restoration of our country.

Up to the present time, the Congress of Paris has failed to secure for Belgium, by way of indemnity, the recognition of the claims to which Belgium thought she was entitled and

which were based on solemn and specific pledges given to her in the past.

Our people bravely set to work again. If the statement I have the honor of submitting to you seems to hold out encouraging prospects regarding our economic future, I believe I may safely say that this is not because Belgium has suffered less from the war than was generally supposed; but because her population has labored to make good its evil effects with a steadfast courage that is a credit to them.

I welcome this opportunity to present a statement on the economic condition of Belgium before an assembly such as the International Chamber of Commerce, brought into being in this Paris of ours, where so many generous enterprises have been initiated and from which, again and again, the generating spark has communicated itself to the world at large, a sure sign of its future success.

The creation of the International Chamber of Commerce cannot fail to contribute to the bringing together of the active elements of the nations, the cooperation of which is one of the circumstances that should avert the danger of new wars such as the one which has just overwhelmed the world.

Nor can the relations between the peoples fail to derive the greatest benefit from such meetings. They will become better acquainted with each other both in the intellectual and moral sphere and in the economic one.

A nation does not constitute an independent economic unit. Not a day passes but that the economic interdependence of all countries is made manifest by facts. The setting forth of the economic situation of every country cannot but help bettering that of the other nations. It is the duty of the International Chamber of Commerce to develop such feelings of solidarity and to foster this mutual help.

Belgium, gentlemen, covers an area of 29,451 square kilometers. On December 31, 1918, this territory had 7,555,576 inhabitants, or 356 inhabitants per square kilometer,—the highest density of population in the world.

To supply the wants of this population, Belgium is obliged to import a great part of her foodstuffs and raw materials, and to pay for these she must export manufactured products.

Before the war, the volume of her trade gave to Belgium the fifth place in the commercial world. In 1913 imports amounted to 32,656,282 tons valued at 5,049,859,000 francs, while exports aggregated 20,885,182 tons valued at 3,713,814,000 francs, or a total trade value of 8,765,673,000 francs. The surplus of imports over exports was 1,334,045,000 francs.

For the year 1919, the imports were 4,477,057 tons valued at 5,075,584,064 francs, and the exports 6,880,987 tons valued at 2,296,652,748 francs, or, together 7,372,236,812 francs. The surplus of imports over exports was 2,778,931,316 francs.

It is by no means an easy matter to draw a conclusion from a comparison of the 1919 figures with those of 1913, the price of things having increased considerably. Taking the prices that governed in 1919 as three times as great as those of 1913, we are led to conclude, by comparing the figures of 1913 with those of 1919 reduced to one-third of their total amount, that the import trade of Belgium for 1919 amounted to but 34% and her export trade to but 21% of the pre-war figure.

The above remarks will suffice to show how deep is the disturbance that was caused by the war in the economic life of Belgium. They also serve as an incontrovertible answer to the foolish allegation that Belgium suffered but little damage as the result of the fighting.

By reason of the fact that the Belgian people are hard at work, the situation is improving, as is shown by the foreign trade returns for the first four months of the current year, when imports amounted to 3,490,464 tons valued at 3,707,992,491 francs, and exports to 2,959,699 tons valued at 2,496,951,352 francs, a difference of 1,211,041,139 francs, or 33%, in favor of the import trade. The excess of imports over exports, therefore, shows a tendency to decrease.

For the proper development of trade and industry the foremost requirements are convenient and plentiful means of transportation, including railroads, properly equipped canals and a good road system leading to well planned harbors.

The normal gauge Belgian railway lines are no less than 4,665 kilometers in length. To these should be added the local narrow-gauge secondary lines the length of which on December 31, 1918, was 4,917 kilometers.

As regards her railways, Belgium tops the list of nations, with an average of 280 kilometers of main and secondary lines per 1,000 square kilometers of territory. England, which comes next, has but 120 kilometers per 1,000 square kilometers.

The Belgian railway systems had suffered serious damage as a consequence of the war and through the depredations of the German hordes. Referring to the State railways alone, 1,419 public buildings were completely demolished, 1,100 kilometers of permanent way destroyed, and 400 kilometers partly destroyed.

Nor was the situation less lamentable in respect to the rolling stock. Half the locomotives had vanished and a great

many of those that remained were in bad condition for lack of proper repairs. More than 50% of the carriages and trucks were missing.

The local railway systems were very little better off. Within the Kingdom 1,649 kilometers of permanent way had either been pulled up by the Germans or completely wrecked. The lines in the battle area had been partly if not entirely destroyed. Much of the rolling stock had been carried off by the Germans, or was in a condition of complete dilapidation through excessive wear and tear.

The situation today, while not being completely satisfactory, shows that the work of reconstruction of both systems has progressed enormously.

On the State railways the trains are running over the greater part of the system, the traffic being interrupted over some 50 kilometers only.

On the local system, the part in operation on December 31, 1919, was about 2,750 kilometers. More than 100 kilometers of permanent way had been reconstructed and is ready to be put in operation at a very early date. Lastly, 300 kilometers were in course of reconstruction and work was to be started very shortly on another 200 kilometers. The management of the local lines are confident of being able to extend the mileage of railroads in operation to over 3,000 kilometers, or to three-quarters of the pre-war mileage.

Although the situation has improved considerably as regards the lines, the problem of the rolling stock is by no means solved. The lack of cars and trucks is still grievously felt,—a situation common to all European systems.

The reparation service of the Ministry of Economy has already brought back into the country many of our engines and cars found in different parts of Germany. Furthermore the Belgian government has placed large orders both at home and abroad. But the high rates of exchange and the large orders placed with the engineering works do not permit of the railways securing sufficient rolling stock.

The increased activity of our railways is evidenced by the amount of their receipts, which were about 332,057,000 francs for the year 1919, as compared with 341,866,464 francs in 1913. Let me hasten to add that the rates for both freight and passengers have been raised considerably, so that the two figures cannot be compared intrinsically. For the month of January, 1920, the receipts amounted to 36,810,000 francs, as against 9,403,000 francs in January, 1919.

As in every other country in the world, the electrification of

the railways of Belgium is one of the questions that is receiving special attention. A committee has been appointed to consider the feasibility of electrifying the Belgian railway system. The committee have expressed themselves in favor of electrifying several portions of the system, but it would appear from the statements of certain specialists this will have to be postponed for the present, on account of the great expense it would involve, and in consideration of the urgent character and huge amount of the vast expenditure to be borne in other directions for repairing the havoc wrought during the war.

The railways are supplemented directly by the canals and the roads. Belgium is very well off in the matter of waterways. The system comprises a total of some 2,000 kilometers of navigable rivers and canals.

As for the roads, they may be reckoned at 9,851 kilometers of highroads and about 32,000 kilometers of local roads.

In November, 1918, the German troops, during their retreat, destroyed all the public buildings along the rivers and canals in the zone of operation. Their destructive fury even went so far as to sink in certain canals with their torpedo boats considerable numbers of boats intended for inland navigation. No sooner was the armistice signed than the Department of Roads and Bridges set about reorganizing the traffic on the canals and rivers, with the result that at the present time it may be said that our inland navigation is practically normal on the greater part of the navigable waterways.

The situation regarding the roads was truly lamentable when the Germans moved out. They were furrowed by deep ruts. The surfacing was destroyed. The ditches for draining the waters were choked from end to end. At the present time, and considering the circumstances, the whole system of state highroads is in a most satisfactory condition. The traffic is now interrupted along only three roads, which were located in the zone of battle.

Who is there but has heard of Antwerp, our great national port, one of the most important on the continent, as is shown by the number of incoming and outgoing craft in 1913.

In 1913, the gross tonnage of incoming ships at the port of Antwerp amounted to 14,139,615 tons, a figure corresponding to about five-sixths of the combined traffic of all the Belgian harbors. For the first five months of 1920, the gross tonnage of incoming craft at Antwerp amounted to 4,085,694 tons, or about seven-tenths of the pre-war tonnage, while for the month of May the figure was about eight-tenths of the average monthly tonnage for 1913.

In 1913, according to shipping returns, incoming cargo at all Belgian ports amounted to 12,647,414 tons of 1,000 kilos each, while outgoing cargo totaled 9,884,140 tons. At the port of Antwerp alone the imports were 10,210,454 tons and the exports, 8,661,841 tons.

For the first four months of 1920, imports into Belgian harbors were at the rate of 6,531,000 tons per annum and exports at the rate of 2,550,000 tons per annum, which means, roughly speaking, that the traffic in our harbors, including imports and exports, has now reached 50% and 25%, respectively, of the pre-war figures.

During the war, the Belgian harbors were used by the enemy for military operations, and for the foodstuffs sent to the invaded populations of Belgium and Northern France.

When the armistice was signed, the quays of the Belgian ports were littered with mountains of sand and gravel from the Rhine, imported via Holland for the construction of military works, and with all manner of supplies for the enemy's troops.

It took four months to restore the quays to normal working conditions. Today the unloading and loading of ships is proceeding as usual and the port of Antwerp is once again the port where such operations are conducted with the speed and regularity appreciated by shipowners and merchants alike.

Belgium is a highly industrial country where almost all kinds of goods are manufactured. The reasons for this industrial development are twofold:

- a. Belgium possesses an abundant supply of skilled labor.
- b. Her subsoil contains a wealth of raw materials, among which coal is first in order of importance.

Let us rapidly review the situation of the chief Belgian industries.

The production of the coal mines amounted in 1913 to 22,841,590 tons of coal. During the war the output fell to about 60% of the normal quantity and in 1919 it amounted to 18,487,230 tons, or 81% of the pre-war production. For the first four months of the present year the output reached 7,460,295 tons, or 94% of the production for the first four months of 1914. In March last the output even slightly exceeded the monthly average for 1913.

This result has been achieved in spite of shorter hours, an eight-hour day being now the rule. On the other hand, the number of workmen employed in the coal pits is now slightly

in excess of what it was before the war and the underground plants have been considerably improved.

The smelting industry has been established in Belgium for several centuries and has acquired considerable importance. In 1913 the number of blast furnaces in operation throughout the country was 54, distributed in 19 different plants, most of them situated in Hainault and in the province of Liege. The aggregate output of these blast furnaces amounted to 2,484,690 tons, of a total value of 183,336,450 francs. Most of the iron ore smelted in these blast furnaces comes from abroad, the local mines producing but a small proportion of the ore consumed. The production of finished steel manufactured in Belgium in 1913 aggregated 1,857,860 tons, with a total value of 262,273,650 francs.

During the war, the Germans did their very best to utilize the foundries to supply the needs of their armies. The manufacturers, however, refused to comply with the orders of the enemy. We all know what happened. Many ironmasters, engineers and mechanics were deported. The foundries were for the most part destroyed and the sites they occupied made a wilderness. Other factories were commandeered by the enemy armies and were operated under their direction and for their benefit.

A few figures will show more clearly both the patriotism displayed by the Belgian metalworkers and the extent of the damage inflicted by the Germans. The production of finished steel and iron was but 164,370 tons in 1915 and 200,821 tons in 1916. In 1917 and 1918 it was practically nil. At the time of the armistice the iron industry was therefore in a lamentable condition. The manufacturers, however, set to work bravely to rebuild the plants which had been wrecked and by the end of 1919 a dozen blast furnaces were in full operation.

The iron industry gave employment to about 60% of the workmen employed before the war, the greater part of them being engaged upon reconstruction work. At the present time the output of cast iron is about 25% of the 1913 production, of steel about 49%, and of finished iron about 60%. The exact figures are:

	Monthly Average, 1913	Output in March, 1920
Cast iron	207,058 tons	66,009 tons
Finished iron	25,362 tons	14,525 tons
Steel (bars and mouldings first melting)	205,552 tons	78,985 tons
Finished steel	154,922 tons	90,508 tons

The production of cast iron and steel does not depend solely upon the reconstruction of the plants. The placing in operation of several blast furnaces depends on the available supply of coke and ore. The supply of coke is contingent upon the delivery of coke-producing coal by Germany. The amount of ore delivered depends upon the rolling stock available. Germany is now beginning to deliver coal-producing coke, as she is bound to do under the Peace Treaty. The rolling stock is gradually increasing so that it will soon be possible to place in operation additional blast furnaces.

Before the war the zinc industry was a highly flourishing one in Belgium. There were 14 plants in operation. In 1913 the total output was as much as 204,220 tons, or one-third of the European, and one-fifth of the world production, with a total value of 115,544,700 francs.

Since the armistice was signed, great efforts have been made to reorganize this industry, but the lack of raw materials, fuel, and means of transportation has very greatly restricted the output, which for the year 1919 was not more than 18,000 tons valued at about 35,000,000 francs.

The negotiations which have been carried on for the last few months with the British government regarding the delivery of Australian concentrates have been successful. The contract entered into provides for the delivery of 240,000 tons of ore extending over two years.

The average monthly output of the zinc industry in 1913 was 17,019 tons. In January, 1920, it was 4,060 tons, in February 4,560 tons, and in March 5,841 tons or 34.3% of the production in 1913.

The glass industry is a long established one in our country and Belgium is famed throughout the world for the quality of her glasswares. The industry of glassmaking had assumed considerable importance before the war and provided one of our chief articles of exportation.

Like the rest of the Belgian industries, the glassmaking industry was hard hit by the European conflict. The plants were subjected by the Germans to considerable requisitions, including existing stocks of window-glass, supplies for packing, wood, etc.

Thanks to the common sense of the operatives, who have worked night and day, the output is rapidly increasing. It might be speeded up still more, if a regular supply of raw materials, and particularly of gas coal, were assured. In March, 1914, 22 ovens producing window glass were in operation and the monthly output was 30 million square feet. Today

18 ovens are working and the monthly output is 28 million square feet. These figures indicate the progress made and inspire us with confidence for the future.

The manufacture of mirrors was introduced into Belgium about sixty years ago and assumed considerable proportions. Though they were subjected to comparatively few requisitions, the mirror factories are suffering from lack of small tools, machinery bearings, electrical appliances, driving belts and raw materials, which were appropriated by the Germans. It had also been feared at one time that the export trade would no longer be possible. Little by little, however, the mirror factories are being re-equipped. Orders are coming in from every side and although competition is keen there is every hope that this important branch of our industry will revive.

Goblet making and kindred industries are on a fair way to recovery. Out of a total of some 30 ovens in all, 23 are now in operation.

Belgium has always been one of the chief producers of textiles in the world. Before the war, the number of people occupied in the various textile industries was about 130,000, weaving wool, cotton and flax, or spinning hemp and jute.

The wool industry is chiefly centred around Verviers, where it has developed to a very great extent. Just before the war the district around Verviers included 110 weaving, 47 spinning, 29 pulling plants and 27 dye plants. During the war the enemy took possession of all the raw materials, the manufactured products, driving belts, as well as all of the copper, lead, zinc and bronze parts. Since the armistice, the Verviers manufacturers have set to work again; but they have had great difficulty in replenishing their stocks, owing to the problems of exchange, the effect of which is to impede the recovery of the wool industry.

In importance, the cotton industry comes immediately after the coal industry. Completely destroyed during the war, its recovery meets both with material and financial difficulties. In 1914, the number of spindles was estimated at 1,750,000 and the monthly output at somewhere between 4 and 4½ million kilos. At the present time more than three-quarters of the looms have been placed in operation.

American cotton is chiefly used by the Belgians in their mills and to some extent Indian cotton. Recently the Kasai Company shipped to Belgium a lot of cotton grown in the Belgian Congo. Experiments were made by our manufacturers, who pronounced this cotton to be of excellent quality as regards both length and stoutness of fibre. It compares with the Ameri-

can "Middling Fair" quality. The only objection to it is that it is somewhat yellow in color, but it is quite possible that this defect may be eliminated.

The present output is estimated at 3,600,000 kilos, or 80% of the pre-war production. Certain producers, as for instance the "La Textile Cie." and the "Union Cotonniere," enter into agreements with each other for the purpose of stabilizing the selling prices of the manufactured products and the cost prices of the raw materials.

In 1914, there were in Belgium, chiefly in Flanders, 28 power looms for spinning flax and hemp. The number of spindles was 329,560 and the consumption was about 47,000 kilos per spindle. The production was 3,300,000 bales of 3 bundles each.

Like every other industry, the flax mills suffered greatly from the war. Raw materials and manufactured products, sometimes involving very large amounts, were requisitioned. Plants were partially or totally destroyed. All copper was requisitioned, and heating and lighting appliances were appropriated.

Many mills, however, have begun work again. There are at the present time 311,000 spindles in operating condition. Production is very difficult to estimate at this time. It varies from week to week according to the amount of raw materials available and the hours of work performed. The number of workmen employed in 1914 was about 16,000. This number has now decreased to 9,500, or only 59% of normal.

I might review other Belgian industries, some of which are important, such as the cement and building materials industries, the chemical industry, the quarrying industry, etc., but I must keep within certain limits. Whatever has been said of the staple industries of Belgium applies to her other industries, viz, that in every branch the recovery is intense and the activity satisfactory under present circumstances. We are, in fact, progressing very rapidly towards normal pre-war conditions.

That there are shadows in the picture cannot be denied. Like everywhere else the scale of wages is very high; yet in spite of this the working class is constantly clamoring for higher wages. In almost every industry the eight-hour day is the rule and a bill has been introduced to enforce it everywhere.

It is to be hoped that the common sense of the Belgian workman will prevail and that he will realize that his aim should be to produce, save and exert every effort.

In spite of the restricted area of the Belgian territory,

agriculture plays an important part in the economic life of the country. If we take the pre-war figures, the annual value of agricultural production may be estimated at 2 billion francs, which exceeds the total value of the production of all the other industries.

The importance of the agricultural industry results from the fact that the soil is under intensive cultivation and that the farm lands, divided into small parcels, are for the most part tilled by peasant landowners working on their own account.

The total area of Belgium is 2,945,000 hectares. Of this total 1,150,000 hectares, or 66%, are under cultivation and only 107,000 hectares, or 3.65%, are uncultivated.

The agricultural laborers number about 1,200,000. Of these only 16% are wage earners. The remaining 84% till their own lands. The 1,150,000 cultivated hectares are divided among 829,000 farmers. The average area of the Belgian farms is about 5 hectares (12½ acres), which permits of careful cultivation with the result that the yield is the very best.

The consumption of Belgium before the war was about 1,700,000 tons of wheat, 400,000 tons of which were home-grown. Of other farm products, the consumption was less than the production, so that Belgium was able to export potatoes, sugar, fruit, etc.

Cattle raising was highly developed in Belgium before the war. What is now her position in this respect? It is not easy to furnish exact figures. The devastated areas for the most part cannot be utilized for agricultural purposes. Even the land that is cultivated has deteriorated. During the war there was a great scarcity of fertilizers and it became impossible to keep the land in good condition. Finally, the appropriating by the Germans of a considerable part of our stock of cattle also had a most pernicious effect upon agriculture generally. Germany is gradually returning our cattle to us and this year's harvest is full of promise, so that a distinct improvement is to be observed in agriculture.

The war has added considerably to the public debt and consequently the State has had to borrow largely from the issuing banks. The result has been the inflation of the paper currency, which, with the adverse balance of trade and other causes not possible to analyze here, has brought about a fall in the value of the Belgian franc and a rise in the price of all commodities.

The paper currency, which at the end of 1913 was 1,067,407,000 francs, had on June 5 last increased to 5,105,551,535

francs, an increase of more than four billion francs or almost five times what it was.

With respect to the public debt, it is five times what it formerly was. Before the war the consolidated, floating and other debts aggregated 4,837,497,000 francs. During the war loans had to be floated in order to pay the war contributions levied upon our country by the Germans. The total amount of these loans is 2,347,800,000 francs.

The first concern of the government, after the signing of the armistice, was the withdrawal from circulation of the marks with which the Germans had flooded the country. The withdrawal of this currency was effected in two ways: (a) by exchanging the marks for Belgian notes; (b) by floating a loan, under the designation of *Emprunt de la Restauration Monetaire* amounting to 3,040,342,700 francs. Then followed the *Emprunt de la Restauration Nationale* 5%, which brought in 1,559,637,200 francs to the Treasury and just recently the floating of the first portion of the 5% loan,—the first of 5 billions,—which produced 2,500,000,000 francs.

After adding to the above loans the *Bons du Tresor* (Treasury bonds) the advances of the Allies (1,247,438,633 francs) the advances of the Banque Nationale (5,800,000,000 francs) we reach a total of more than 22 billion francs.

The paper currency and loans being reckoned in billions and the constant applications for loans to the Banque Nationale have naturally contributed to the high cost of living. The statistics show that with April, 1914, as 100, the cost of living in April, 1920, had increased in Belgium to 461, whereas in England for the same period the increase had been from 100 to 324.

The activities of the private banks have increased considerably, as was to be expected with trade and industry again active. The Belgian banks have increased their capital, so as to be able to cope with the demands made by merchants and manufacturers.

From the date of the armistice to December 31, 1919, the capital of the new banks opened amounted to 168,358,000 francs and the additions to the capital of the banks previously in existence aggregated 195,945,000 francs, or a total of 664,303,000 francs.

Nor is it the banks alone that have increased their capital. Every branch of industry and trade has similarly added to its financial reserves. From the date of the armistice to December 31, 1919, the new issues and additions to capital in Belgium have reached a total of 2,177,811,000 francs. In the

case of many of these discounting establishments, the profits have reached the pre-war level.

It is well worth while mentioning two facts that point to the recovery of the economic life of Belgium in every sphere. First of these is the fluctuation of accounts in the postal cheques. The total amount of money paid into this account in January, 1919, was 33,348,962 francs. In January, 1920, the amount had increased to 281,530,803 francs.

Secondly, the fluctuation of accounts in the savings banks deposits, which have increased considerably as compared with last year. This circumstance is very encouraging, for these savings banks recruit their clients chiefly among the skilled and unskilled ranks of labor. The increase in the amount of the deposits points to the fact that among the workmen, who are now receiving high salaries, there are some who wisely save a certain portion of their earnings.

This picture of the present economic condition of Belgium has necessarily been outlined very roughly in the above statement. We have had no time to dwell upon certain subjects in full. The impression you will no doubt gather is that Belgium is working strenuously to recover triumphantly from her ruin.

This economical reconstruction of our country, this will to recover, this will of our people to live, are a further pledge and security for the loans that have been made to us by various countries, as well as for any further capital we may yet require. The task with which we are confronted is a difficult one.

People beyond our boundaries do not seem to have properly realized the extent of the damage and destruction inflicted upon our country. Certain writers estimate them, though on what data we cannot tell, at a figure so ridiculous that it would seem certain that such writers are in total ignorance of the real facts. Such assertions your organization could easily control or controvert, and I should be only too pleased if you would take the trouble to do so.

The economic recovery of the country and the restoration of its ruins are, as I stated at the beginning of this report, the result of the relentless toil of our people. Their hard work has already led to the encouraging results I have pointed out. The restoration of that which has been destroyed or carried off by the invader, and the efforts of the Belgian manufacturers to restart their businesses, have led to the investment of large amounts of new capital, while as yet, with but few exceptions, the losses sustained have not been reimbursed.

Some eminent speakers have vigorously proclaimed the right of Belgium to be restored and have asserted the determi-

nation of the Allied powers to compensate our country for the disasters it faced unflinchingly in 1914, in a spirit of solidarity and with a high sense of duty.

Belgium has set to work resolutely, relying upon the fulfilment of those pledges and encouraged by those promises. She ought to and she expects to be able to see them fulfilled. She has full confidence in her Allies and in the assistance of their discounting establishments to further the energy she is devoting to the reparation of the disasters resulting from the unspeakable wrong she suffered and the revolting aggression she so bravely resisted.

I will conclude by reading you an extract of a speech recently delivered in our Chamber of Deputies by M. du Bus de Warnaffe:

"We were forced into war by an iniquitous act of violence. The case is not quite the same with any of the other nations that participated in the gigantic struggle. Some came in of their own accord. Others were attacked but the attack did not come as a surprise to them.

"As to us Belgians, a flagrant injustice exposed us to the dire consequences of the war. There lies the essential difference between us and our contractual or voluntary guarantors. It is easy to deduce the logical and equitable consequence, which is that we are entitled to integral reparation.

"Our position is quite different from that of our Allies. We have derived from the war nothing but disaster. The rest of the belligerents, if they did endure severe losses, have already found, or will find later on, important compensations such as we cannot look forward to.

"According to the decisions to be taken at the coming Spa Conference, our position will either be safeguarded or hopelessly jeopardized. We can hope for no future windfall. Every one in Belgium relies upon the sense of equity of the Allies.

"We ask for no reward, but we do ask for what is strictly due to us by Germany and also by the Allies."

I crave your pardon for placing this point before you, who represent the industrial, commercial and financial activities of the Allied countries. It is necessary and only fair that in considering the international questions you will be called upon to discuss you should bear in mind the *de facto* and *de jure* position of the country our delegation is privileged to represent.

Address by Sir Arthur Shirley Benn

Member of the British Delegation

It is difficult to present an accurate view of the present economic position of Great Britain, as it changes from day to day and is vitally affected by conditions prevailing in other

countries. The unrest which follows as the aftermath of great wars has not yet fully run its course, but it is undoubtedly nearer its end than it was twelve months ago. Great Britain lives by trade and her future depends largely on her being able to find industrial work for her people and markets in which to sell her goods. Difficulties have had to be faced and dealt with; many have been, and the remainder will be, overcome.

When the armistice was signed Great Britain found herself with many factories which had been engaged in war work brought to a standstill, requiring months for reconversion for the production of merchandise and devoid of stocks of raw materials, with other factories which had been producing the necessities of life and were provided with stocks of raw materials which had been purchased during the war regardless of cost. Manufacturing was therefore not at its best and difficulty was found in obtaining the necessary employment for the workers. To understand the reason why it was difficult to resettle the demobilized men, it must be remembered that during the war millions of the workingmen joined the army and their places were filled by some skilled men kept back as leaders, by men who were too old for the army and by men too young to join the army who, being taken into the factories as boys and trained, were afterwards found so invaluable in making the materials needed for the fighting forces that when old enough for the army their employers often claimed them as indispensable. In addition, there was a vast army of women who came into industrial life owing to the shortage of men, did excellent work, and after the war had no desire to return to their original occupations or to a life of idleness. The result was that employment was needed not only for the four million soldiers and sailors who were demobilized and returned to industrial life, but also for the thousands and thousands of men and women who were brought by the war into industrial life.

The task has been fairly well accomplished, if one may judge from the reports presented by the "Labor Gazette," the official organ of the Ministry of Labor. The number of unemployed in 1919 compares favorably with the number of unemployed the year before the war. It is stated that 2.4% of the members of trade unions making returns were unemployed in 1919, and 2.1% in 1913.

The wages paid to-day are naturally high owing to the high cost of living, but as the high cost of living makes high wages necessary, so high wages increase the cost of living. According to the index number of the Ministry of Labor, the cost of living in England today as compared with 1913 is

about 150% higher, while wages may be said to average roughly 130% above those of 1913. No allowance is made for the large reductions in hours of labor in nearly every trade.

With respect to the food question, there is no suffering in Great Britain today from any insufficiency for those who can afford to pay. It is understood, however, that owing to the world shortage, it is necessary to be prepared for reduced supplies, cereals and sugar in particular, during the coming twelve months. Therefore every effort is being made to encourage the cultivation in Great Britain of large areas which had gone out of cultivation in pre-war days owing to Great Britain being able to import at lower prices than those at which it could produce. No matter how much may be produced at home, it will always be necessary to import largely from outside the homeland, and therefore the question of freights deeply concerns Great Britain.

Before the war freightage on British imports and exports was largely earned by British ships, which was a great national asset, but today foreign ships are carrying a good deal of British commerce and will do so until the British mercantile marine is again built up. During the war over seven and a half million tons of British shipping were lost by enemy action and it was impossible to replace them owing to the war demands of the government. Other countries have added enormously to their fleets and the shipping tonnage of the world today is greater than it was before the war. The British mercantile marine will, however, do its share in carrying the trade of the world, but the enormous cost of building and the high wages of today will prevent cheap freights if the ships are to be remunerative to their owners. With the enormous tonnage which is being built in many countries, even the experienced shipowners may find difficulty in making ships pay. Great Britain must always be a good customer of the shipowners with her enormous imports and exports. In 1913 the imports and exports amounted to 1,400 million pounds sterling, and, although Great Britain is not as yet back into her stride, her overseas trade in 1919, expressed in the values of 1913, amounted to 1,054 million pounds, or 75% of that of 1913.

A few words about the coal situation, which is of vital importance to an industrial nation. As everyone is aware, there has been a largely decreased output of British coal, causing high prices and a decrease in quantities for export. On account of loyalty to our Allies and friends abroad, home consumers were rationed, despite the great inconvenience caused at home and the strong reaction against control. We have all been

stinted in the United Kingdom as a result of this control, to which consumers were to some extent reconciled by regulation of price. To extend elaborate regulation to exports would have been most difficult, in all the circumstances, but the interests of our Allies were watched and as a result of the internal regulation of consumption they certainly received better supplies. Britain realizes that she cannot live by herself and must work hand and hand with her friends. It is thought by some that the smaller output of coal is due entirely to the reduced hours the miners are working and that the output is not as large per man as it was before the war. It must be remembered, however, that owing to the war new shafts were not sunk as they used to be in pre-war days and that many of the existing shafts are serving areas where coal is no longer plentiful. In addition we have to recollect that great delays are frequently experienced owing to the insufficiency of transport due to the war.

Great Britain is suffering from a shortage of rolling stock on the railroads, owing to the fact that railways could not keep pace with the repair and replacement of their rolling stock during the war, and also owing to the number of their locomotives and wagons which were sent abroad during the war, i. e. 516 locomotives and 29,678 wagons (these figures do not include locomotives and wagons specially manufactured and delivered abroad for use in the war). The result is that trade is hampered by lack of proper and efficient transport. Delays in delivering raw materials at the factories, delays in removing manufactured articles, thus blocking up exits from factories, all tend to increase costs and to create dissatisfaction. It is hoped that the Ministry of Transport will succeed in removing these evils entirely at an early date, and it must be recognized that considerable progress has already been made in dealing with them.

Now a word or two on one of the requirements at home, a matter which does not directly affect our Allies but intensely interests Great Britain. There is still a lamentable shortage of houses, it having been found impossible to build anything like the number of houses that the Minister of Health considered necessary. A shortage of raw materials and of skilled workers has contributed two of the principal causes. Before the war about 80,000 houses were built per annum. During the war virtually no houses were built, with the result that after the armistice there was a shortage of nearly half a million houses. The cost of building houses today is so high that private builders are afraid of erecting them, believing that an economic rent will be hard to obtain. The government are offering many inducements to municipalities to erect houses, but the

difficulty of obtaining the necessary money has still further delayed matters.

A few words on the financial position will not be out of place. The national debt, which amounted in 1913 to 670 million pounds, is now in the neighborhood of 8,000 million, involving an enormous sum annually for interest and sinking fund. The government has shown a determination by the imposition of heavy taxation to provide not only interest but a sinking fund which ought in a few years to reduce the debt and to make any British government security a much sought after investment. The sums raised by taxation in 1913-14 amounted to 163 million pounds and in 1919-20 to 999 millions, whilst it is estimated that during the current year it will amount to 1,035 millions. It is thought by some that this enormous taxation is uncalled for, as seven-eighths of the whole of the national debt is owed to British citizens who know the financial resources and stability of the country and are satisfied with their security. Too large a charge upon the taxpayer may prove a menace to trade and commerce and an incentive to manufacturers and merchants to curtail their business or remove their works to countries where taxation is not so high, but it is an assurance that Great Britain will meet all her obligations. Commercial credits are necessary in view of the state of continental Europe, but they cannot be obtained where confidence is lacking. The League of Nations, as visualized in the Treaty of Peace, can facilitate the restoration of confidence, and when it is reestablished and food and raw materials are supplied to those needing them, all countries will have an opportunity of working. Credits do not create capital, but by changing for the time being the distribution of capital they enable the transferee to create fresh capital by purchasing raw material, by expending labor in converting it, and then selling it as a manufactured article. To restore prosperity, manufacturing must be intensified, agricultural production increased and international trading restored to its pre-war vigor. This can only be done when confidence is restored. Credit is governed not merely by resources but also by the character and ability of the borrower, his reputation for industry and thrift, his ability to undertake and perform. Furthermore, if credits are granted, lenders will have to be assured that no legislation will be passed in the borrowing country likely to hamper the fulfillment in letter or spirit of contracts mutually agreed upon.

The Allies who fought side by side to defeat the German menace and safeguard their own liberty, realize the importance of cooperation in pressing vigorously an economic policy which

will rapidly achieve rehabilitation and reconstruction. The business world of Great Britain is not unmindful of the needs and claims of Great Britain's Allies and is desirous of doing everything in its power to help.

The danger which brought the Allies together and made them brothers in arms would quickly show itself again if disagreement arose between the Allies. The liberty which was fought for and preserved must never be lost, even for a day, for, as Rousseau said, "Liberty may be acquired but never recovered." With America, France, Italy, Belgium and the British Empire standing shoulder to shoulder upholding liberty and international justice, an era of peace and good will may be looked for, but should discord arise, then European anarchy may be expected, and the civilization of the twentieth century, of which the world is proud, may be wiped out.

Address by Senator Vittorio Rolandi Ricci

Chairman of the Italian Delegation

In human life every action inspired by an ideal looks to a symbol for its expression. Such is the case with the International Chamber of Commerce. The discussions of men of good will, hailing from different countries, considering problems in which they had to defend different interests, have taken place in such quarters as are customary in technical intercourse.

Today, when we come to sanction with the highest solemnity the principle of an economic cooperation between all the nations which are the foundation of the new International Chamber of Commerce, the Temple of Science has appropriately been chosen for our meeting, the Temple of that Science which has no bounds, and which is an ideal of truth and universal happiness.

It has been arranged that today each of the five nations which have united to form our chamber should give a resume of its economic situation, so that the knowledge thus gained should be of advantage in securing common action to obtain the economic reconstruction of all countries in accordance with their needs.

The Italian Delegation responds to your invitation with that sincerity which guarantees the continuation of a fraternity already sealed with ties of blood.

In this friendly and cordial meeting we would have no right to conceal that Italy is going through a material and moral crisis. But could you, my friends, point out the country which has not had to meet with similar trouble? We can take as our motto the verse of an immortal poet: "My sorrow is the sorrow of the world."

This crisis, which facts prove to be passing, will show to the world that Italy has an indomitable energy and is going to win; a fact which we don't claim out of love for our country, but from an unshaken faith in the evidence of facts.

M. Clementel, in his words of greeting to the delegations, has pictured in a forceful way the hardships which Italy has endured since the beginning of the war, and reminded us of the fact that we have still a great and powerful wealth,—our density of population, which is 128 inhabitants per square kilometer, and which is continuously increasing.

In Italy, as in every other country, the after-effects of war have resulted in a more expensive mode of living. But the great majority of the population has not lost its habits of thrift, which make it such a valuable class of labor. The greater mass of our soldiers have gone back from the sword to the plowshare, and have again taken up agriculture, which has changed the swamps into fertile lands and the arid mountains into rich vineyards.

The total area of Italy is 284,000 square kilometers, of which more than 264,000 square kilometers are productive soil. Agricultural machinery has taken its rightful place as a friend of the farmer. The traveller will hear the humming of the tractors and threshers and the buzzing of the harvesters while crossing the plains of our country.

In the words of our friend, M. Clementel, whom I can see no better way of thanking than by quoting his words, "The great industries of northern Italy are a crowning achievement to central and southern agricultural production." Italy, lacking raw materials, devoid of coal and with but a very small supply of iron ore, has organized a full complement of all the industries which are necessary to the life of a nation, and has been able to bring them up to the level of those of the other countries.

Our steel and iron mills and mechanical works, of which there are more than 5,000, employ more than 600,000 workmen. The cotton industry has 1,088 mills with 4,600,000 spindles, 150,000 looms and 200,000 operatives.

The wealth of water power, which though there are no great rivers must be harnessed with great engineering skill and ingenuity, gives us about five million horsepower at this time. It is expected that we will be able to draw a further total of more than fifteen million horsepower from our mountains and streams to provide power for carrying out the scheme of completing 6,000 miles of electric railways, and for which

we will ask the cooperation, both in capital and machinery, of our Allies and friends.

Our merchant marine, which has fought its way from the olden days of barks and sailing vessels, hardly reached in the pre-war days a total of 1,534,738 tons. It is manned by those sailors who are known the world over for their heroism and skill; by those sailors from whom our navy has drawn such men as the heroes of Premuda and Pola. During the war the losses of our merchant marine reached the appalling figure of 57%, but we fervently trust that the activity of our Italian shipyards, purchases in foreign countries, and a fair system of credits to our shipowners will enable us very soon to place our shipping facilities on a pre-war footing.

The data which I have given you about our shipping will make perhaps no impression upon you, accustomed as you are to the immensity of your own and the world's tonnage. But you must not forget, dear friends, that half a century ago Italy inherited with national unity a very poor economic situation.

In fifty years we succeeded in bringing the Italian $3\frac{1}{2}\%$ loan to the rejoicing figure of 104. In these last fifty years Italy has developed a railway system of about 20,000 kilometers; it has put in efficient service 30 important seaports; it has equipped with postal, telegraph and telephone facilities its 8,435 municipal districts.

Such results, secured in so very short a time, testify to our capacity to endure the heavy losses of the war. The war itself has not handicapped the continued progress of Italian industry and agriculture. If the strenuous efforts of our population are aided by favorable conditions of existence, an improved market, freight facilities and a sound currency, our industries, so greatly affected by lack of fuel and raw materials, will promptly resume the most promising prospects.

Italian finances are not worse than those of any other country. Italy, as well as other countries, has been compelled to increase her debts in her own country and abroad; but new taxes have been provided and the citizens have willingly accepted the heavy sacrifice as a proof of their faith in the prosperity of the country. The Italian government has by recent acts of Parliament given ample demonstration of the most severe regulation of public expenses.

As I was telling you, we draw our faithful hope from the observation of facts. We cannot expect, of course, that the few data and figures which I have given you will lead you to this same conclusion. But we really hope that you will come to

Italy as the guests of our nation. There you will realize that our country is not only the land of the sun and of the finest of arts, but one of agricultural effort and industrial endeavor.

We do not ask from our friends any kind of succor. We simply request them to have faith in our willingness to return our country to a condition settled and powerful; the faith we have always kept in fulfilling our obligations to our friends.

United we stand around our King and our government to overcome all difficulties, just as our army and our navy withstood the worst hardships and brought our country to final victory.

We strongly desire that our friends be persuaded that Italy gave birth not only to the Latin genius of art and science, for our population is equally endowed with good sense and skill, and those who are acquainted with our emigrants are well aware that such qualities are always found even in our humblest representatives.

We strongly desire that you should be our guests, and also, when you come to Italy, that you should not simply admire the arts and ruins of our Roman civilization and wonder over the beauties of landscape and sunny land, but that you come with a strong determination to appreciate all that Italy has done with Italian workmanship, so valuable in maintaining and assuring the economic progress of our country.

We want our friends to understand that we are not only a people of artists and idealists, but a very serious, practical and willing nation, looking toward the great country of Washington, with its idealism, its strong will and efficiency; toward Great Britain, the world's paragon of political civilization; toward France, the birthplace of generosity and chivalry, and toward Belgium, the champion of duty and of the rights of mankind, as fitting examples to follow in shaping the course of Italy's development.

Italy has shown, since time immemorial, that it knew its duty towards the civilized world. When duty called her to one side and opportunity to the other, she never hesitated in choosing the sterner and the heavier.

Following the example of one of the great pioneers of her independence, Giuseppe Mazzini, Italy can highly boast that her religion is the religion of duty, and her aim is that of cooperating to restore the world to liberty and to the principles of law and humanity.

Address by Mr. Willis H. Booth

Member of the American Delegation

The signing of the armistice resulted in a great industrial shock to America. Manufacturing plants just getting up to maximum production were obliged to stop and readjust to peace basis. The country seemed to stagger under the suddenness of the blow. In the course of a few months, however, the demand for peace-time goods which had not been manufactured during the war began to assert itself, and industry became active and prosperous.

The same reactions after the war which were noted in Europe were noted in America. Wages were increased and the number of working hours decreased. Labor production even further decreased; and extravagance and speculation became everywhere apparent. New cost bases required more money in legitimate industry. The situation was further complicated by our necessary steady shipment of gold to South America and the Orient to settle unfavorable trade balances. As a combined result our liquid credit was completely absorbed that our gold reserves might be protected. This resulted in high money rates, particularly on the stock exchange, and a crash followed last fall. The stock speculation was greatly liquidated, and the country was aroused to the danger of our situation. There also has been considerable speculation in raw materials and goods, but this has not been so easy to liquidate, even under pressure, although merchants everywhere are endeavoring to sell their goods for fear that the peak of high prices has been reached. This, however, does not apply to foodstuffs.

Crop conditions this year are not especially promising. The winter wheat crop is about 20% below normal. The cotton crop on May 25 was 62% of normal and appeared to be the poorest crop in 50 years. Centralization of workers in the cities and inability to get farm labor has created a very serious situation in the United States. Japanese prices affect the United States very slightly. Our labor problem is serious and of late there has been appreciation that the public is the most interested party and strikes are not as a rule successful.

Railroads were in bad condition before the war, owing to steady increasing costs and disinclination of the Interstate Commerce Commission, which controls the rates, to advance them. During the war, the railroads were operated by the government at great loss. They have recently been returned to the public under a new railroad bill which is generally satisfactory. The roads are under the general supervision of an

enlarged Interstate Commerce Commission, the personnel of which is very acceptable to the public. They need vast sums of money for rehabilitation and they are going to be a great strain upon the credit of the country. However, they are vital to the country's growth, and must be financed. Poor operating conditions of the railroads and strikes have resulted in great congestion in distributing raw and finished materials and industry has been greatly handicapped. It is hoped this condition will now somewhat improve.

The problem of a merchant marine is still unsettled. The government built a large marine during the war. It is now endeavoring to arrange some plan by which it will be operated by private ownership or control. The United States desires to market its goods throughout the world under its own flag, and it is hoped that efforts to promote private operation will be successful. If not, the government will probably take over the task and protect the deficit, if any, under general taxation.

Great shortage of fuel oil in the world has resulted in the opening of new fields and the absorption of new capital; but not enough oil has yet been produced to supply the demand.

Our housing conditions are very bad, and it is estimated that we are short 1,000,000 homes for our people. This must take large amounts of money out of investment capital.

Our foreign trade has been good, but is now decreasing. For the first ten months of the fiscal year 1920 our imports have increased 72% over the imports for the same ten months of 1919. Our exports are still fairly high, mostly foodstuffs, and amounted for the same period to \$6,734,000,000, an increase of \$1,034,000,000 over the same period last year. It will be appreciated that much of this export movement has been financed by the banks, as it has not all been done on a cash basis, and this help has been a very considerable factor. But the banks have reached their limit in this direction, so a new law has been passed providing a basis under which a foreign trade bank can be incorporated in the United States, advance money on collateral abroad, and use this collateral as the security for the debentures which will be sold to the public. It is hoped by this means to interest the public in foreign operations through a local corporation with which they are familiar.

Our government taxes are still very high and show no signs of immediate decrease. This is a very important factor in our economic situation, and we are hopeful that it will be substantially corrected.

Our operations outlined above have taken tremendous amounts of credits, which have resulted in high interest rates

at home and abroad. These rates do not, however, decrease the demand domestically, and it has become necessary to restrict the expansion of credit and to endeavor to increase production. The Federal Reserve Bank has practically reached its limit, so that individual bankers throughout the country are now discriminating between loans necessary for wealth-producing purposes and loans which are not necessary and which can be avoided. This has resulted in some restriction in industry, but not in wealth-producing industry. Discount rates have also been increased from 6% to 7% at the Federal Reserve Bank, and the United States government has just borrowed \$400,000,000 on Treasury Certificates at 5¼% and 6%. The Pennsylvania and the New York Central Railroads have just made large borrowings on short time notes at approximately 7½%. Rates for commercial paper are still very high, and inclined to go higher. Government bonds have very much depreciated, which has resulted in great dissatisfaction among the great mass of purchasers.

All of these conditions have made it impossible to extend free credits abroad, except at competitive rates, although much help has been extended. Conditions are improving. Liquidation of large stocks of merchandise is going forward. A long-time revolving credit has been established for shipments of copper to Europe, particularly France. The steel business is very active but retarded by congestion of freight. The textile industries report active demand but retarded by strikes. People have begun to economize; extravagance is on the wane. Production per unit of labor is increasing. Our savings deposits are increasing. From all these sources some liquid credit should come. However, there will be an active demand for every dollar of credit available for some years, and this competition for credit will keep the rates high. Next to the restoration of political peace, the restoration of the normal flow of credit is our first problem. All international exchange is based upon it, and it is only by the reestablishment of credit channels that the effect of the war can be gradually decreased and political unrest diminished. Business men of the world, through an international organization, working under fundamental economic laws, should endeavor to aid in rational economic stabilization. Upon this more settled economic condition, statesmen may more rapidly build political order, and this task, entirely independent of government financial support, is necessary, but operating under sound business laws, with due regard to domestic need. Business men of the United States hope to play a real part, and I hope that this participation will

be helpful and profitable to our friends, safe and remunerative to ourselves, and a very definite factor in the world's steady progress.

Address by M. Eugene Schneider

Chairman of the French Delegation

Eight months have passed since our Conference at Atlantic City. In this short interval our efforts have not been in vain. We meet here again, and in the very place where, many centuries ago, there was created one of the most ancient centres of culture of the Old World, to take up and develop the thought we conceived in common on the shores of the New World.

During these eight months no sensational event has taken place. The world has no longer reverberated with the tumult of battles or the downfall of empires. Who would dare to say, however, that the United States have the same aspect today as in October last, and that the picture presented by our respective countries has not been modified?

No doubt the fundamental problems remain the same; but after the profound commotion of the war we still feel a thousand shocks which are but the after-effects of the great cataclysm. The world is feverishly trying to find a new balance. Will it find it soon? In any case, the aim of the long and painful effort it is making is not clear to all eyes. The minds of men are fixed on many visions or theories which appear to be varying and contradictory and which bewilder them.

So, it is more necessary than ever that public-spirited men of our respective countries should meet at near intervals, exchange views and information, check their ideas and lay their plans with entire freedom.

What will become of the League of Nations? I cannot tell. The future will decide.

But we private men, we individuals, we workers, whose task it is to create and exchange for the profit of mankind the riches that are the fruit of the toil of our brains or hands have in us the spirit of the League of Nations and happen what may it is sure not to die. For we are not delaying to put its ideal into practice. In other words, we are resolved not to remain isolated one from another but to keep in permanent contact, to compare our thoughts and interests and, as far as possible, harmonize our action.

This is the reason why, after the eminent speakers who have preceded me, I rise to tell you in what position my country stands today. In my opinion, nothing can be more profitable than such a periodical statement of accounts which enables us to give

and receive direct information on the subjects which most concern us, and I should hope to see this custom continued at our future meetings.

When I had the honor of speaking before the Conference in Atlantic City, N. J., France had scarcely completed the demobilization of her armies. She was numbering her dead and counting her ruins. She was calculating how much time and money would be necessary to repair her losses and restore her to former prosperity. She was endeavoring to face the most urgent necessities and, as best she could, to reestablish order in her economic existence disorganized by the five years' tragedy. Men's minds, still a prey to the irritability that the anguish, heroism and fever of the quite recent past had left behind, were impatient of delay. Some, making a great commotion in order to draw others after them, clamored for the lowering and dark horizon which foretold the approach of a difficult winter, so difficult indeed that at home and abroad many were those who regarded us with anxiety and shook their heads in doubt of our future.

At this moment, and perhaps you remember, I told you that you might have faith in us. In the midst of ruins I showed you the first signs of our resurrection. I explained to you the material and moral reasons which encouraged us to preserve and make you share our optimism.

France, facing this horizon so lowering, so dark, did not despair more than she despaired when the armies of von Kluck were coming down the Marne. No doubt when she measured the extent of her losses and the magnitude of her task, she knitted her brows. But she knew herself strong; strong in the Treaty of Peace just signed, in the support of her old companions in arms, in the fellowship of the Allies which could not but prolong its happy influence with the years of peace; and lastly strong in herself, in her own virtue, in the energy of the old courageous blood running in her veins.

Since then, what has become of the threefold assurance which made us look forward with confidence to the morrow?

You would not expect me at this time to enter into the controversies raised by the Treaty of Versailles. I have neither authority nor inclination to interfere and take sides in this debate. Yet today the subject holds such an important place in all our thoughts that I must tell you what seems to me to be the feeling of my countrymen.

Did I not promise to give you a faithful account, not only of what is now going on and being done in France, but also of what French people are thinking and what they are hoping?

It would be a serious mistake to believe that the Treaty of Versailles has fulfilled the wishes of the French or that it has given them all the fruits that victory brought to maturity. The Treaty of Versailles is the collective work of the Allies. The collective responsibility of the Allies is involved in it. It is the outcome of a joint labor in which contradictory views were often raised. In drafting it, it was necessary to take into account the most opposing considerations, to coordinate and reconcile the moral, economic and political propositions which were all quite justifiable though often incompatible. We may criticize the result obtained by the eminent and highly conscientious men on whom this crushing task devolved under particularly delicate circumstances. But no one can contest that the work finally accomplished by these men could ever have been done at all, if it had not been the outcome of equal good will, reciprocal confidence and mutual concessions on their part.

On the day that history throws her light on these negotiations, the truth will flash out that France is not the country that has made the least sacrifice to the cause of friendship between the Allies and to the higher interests of mankind; the sacrifice not only of her dearest aspirations but of the very rights to which the past and justice entitled her.

But this question does not concern us now. The treaty, as signed at Versailles seemed to assure to France the minimum of reparations and of securities compatible with respect for justice and the care for the future.

It had this good point about it. It was the treaty, like all treaties, that put an end to a long war. It furnished the solid basis upon which any valid enterprise could be built. Thanks to the treaty, we were henceforth to know on what ground we were to continue. We were able to estimate the present and future burdens of the nation, share them out and balance them, distribute work, and foresee order. Thus the great band of shadow which hung on the horizon began to rise. The possibility of discerning the future in its main outlines was near at hand. The immense majority of the French people harbored the conviction that the clauses of a treaty so laboriously established were to be strictly carried out, at fixed dates, and in a fixed manner. How could it have been otherwise? Had not the war been waged in common by the Allies to the end that henceforth treaties should be respected and not torn up with impunity as scraps of paper, at the will of a nation eager for conquest?

Ought not the first, the most natural, effect of peace to be the reestablishment of confidence in a solemn oath?

A military Germany, intoxicated by the consciousness of her military strength, had claimed to put herself above right and deny her signature. Did not the most elementary moral and political laws command us to compel her, after her defeat, to respect her signature and, this time, fulfill her engagements?

The French, who are the heirs to an ancient national tradition, look upon themselves as jointly responsible with the official chiefs of their state. They look upon themselves as bound by their signature even if they do not approve of what stands over it. Their instinctive tendency has no repugnance to admitting that the people have to pay for their kings' mistakes.

I do not at all mean to say that they are right. Neither do I intend to read a lesson to anyone or to express anything in the nature of a regret or a censure. I merely want to explain to you the feelings of most Frenchmen who witnessed the events which took place after the signature of peace, the perplexity in which they were involved, the astonishment and the sort of uneasiness of mind they felt and are still feeling. For, in almost any way they looked at it, things did not take the course they expected them to take.

The fact that the United States did not ratify the treaty was not what most greatly struck them. Of course they were surprised and disappointed. Why hide it? Our American friends who are here know it well. They know, too, that there can be no such thing as concealing the truth from each other. The French were all the more surprised as the treaty was full of ideas which they looked upon as specifically American.

On the other hand, how could they help being alarmed when there were left in suspense certain fundamental principles which they considered as definitely established. One of our most natural anxieties at the close of the war was to guard ourselves against the recurrence of an aggression like that of 1914. The measures devised to this end by the Treaty of Peace relieved us of our legitimate apprehensions only in so far as we can rely on the immediate help of the Allies, in case Germany recovering her force meditates her revenge and the resumption of her unsuccessful enterprise. To find the United States hesitating to undertake this engagement, and an important part of American public opinion urging their country to detach herself from all interests in Europe and withdraw into her former isolation is more than sufficient to cause us some uneasiness. Nevertheless, France has no more doubt today about the friendship of America than she had yesterday. This I proclaim aloud and I am

sure that I am expressing the opinion of all my countrymen. The help the United States gave us at the most critical period of the war, the blood her children shed side by side with our own, give us an absolute confidence in the faith and loyalty of America, convinced as we are that, treaty or no treaty, should the hour we once heard striking strike again, the American people would rise one and all to the call of their dead.

Besides, if our confidence needed retempering, the zeal with which the Chamber of Commerce of the United States has associated in our common task, the presence in this place and on this day of so many eminent Americans would be sufficient to reassure us. No, no one shall say that the United States can ever grow indifferent to the great human interest for the triumph of which they have fought. Let us await with patience and optimism the results of the movements which now agitate the immense republic. America may indeed feel a strong temptation to hold aloof from Europe where so many dangerous elements are fermenting. When we ask America to continue sharing with us the administration of the affairs of our continent and the world, we ask her for no less a renunciation of her traditional ideas than that which led her to join in the war. Such a mighty mass cannot be reached in a few days or even in a few months. But the American people are too generous and too circumspect not to see where their higher interests lie, not to comprehend that their interests and ideas coincide and not to respond in the end to the call of the past and the future. The French consider that the game is not yet over. There is a pause which will last as long as necessary. But, sooner or later, we shall find our good partners at our side again.

Vanquished nations are not as a rule satisfied with the treaty that sets the seal on their defeat. They have all the less reason to be so when, having set out to war with unanimous enthusiasm and in the expectation of a fabulous prize, they return home with exhausted forces and empty hands and find themselves compelled to come to terms with those to whom they decided to dictate their laws. When she gave way to bitter criticism, complaints, and wailing, when she endeavored to elude the obligations she had contracted, Germany, after all, was true to her role, although in history there were, indeed, examples of nations with quite a different concept of the national dignity and honor of the vanquished. But what history has not often recorded is a treaty, when hardly signed and with the ink still wet, being criticized with bitterness and called into question by the very men who contributed to give it definite form. Yet such has been the fate of the Treaty of Versailles.

Superior persons have made it an ordinance of intellectual elegance to give them an opportunity to emphasize its imperfections. We have witnessed a strange paradox,—the arguments brought forward by the vanquished in order to escape from the obligation of repairing the damage they perpetrated in a war entirely of their own undertaking. We have seen eminent writers plead the cause of the aggressor in preference to that of his victims; and because the aggressor had received many hard blows in the struggle begun by himself, some people were more sensible to his sufferings than to those he inflicted upon his victims. It certainly needs a great deal of wit thus to contradict the natural emotions of the human heart and the simplest rules of common justice. No less assurance is required to make science a pretext and weigh the claims of the innocent and those of the guilty in the same balance; and, putting forward the so-called economical necessities, to predict failure and final chaos, as if economic facts stood all by themselves and moved along invariable curves and were not often themselves in close relation with political and moral facts.

Encouraged by this campaign, Germany has not fulfilled her obligations. This we are forced to state. When payments were due under the provisions of the Treaty of Peace, Frenchmen were astonished as well as anxious when they saw that Germany did not keep her word and the Allies did not compel her to do so. Shall I remind you of all that Germany promised when signing the treaty and which she has not fulfilled? It would be tiresome. I shall merely point out in a few words the principal points in which she failed to comply with her agreements.

Germany promised to disarm by a certain date. She has not done it. She asked for delay, and obtained it. Since then she has been carrying out certain of her obligations, but with chronic delay and stubborn ill-will. Our War Minister lately reported on this subject to a commission of the Chamber of Deputies. Mr. Winston Churchill submitted a similar report to the House of Commons. All the war material should have been surrendered, but to date has not been. The clause of the treaty concerning war factories and arsenals has not yet been fully complied with. Even the demobilization of the German army has not been carried out in the way agreed upon. No doubt her army has been reduced to 200,000 men, but there is still in existence the same number of formations or units. In spite of the Article 211, military legislation has not been modified. A thousand signs make it clear to us that Germany, guided by

the very men who planned and carried out the war of 1914, wishes to keep in existence the staff for a powerful army.

Regarding financial matters, Germany has not yet paid anything. The army of occupation which she was to support is entirely supported by us. The money she was to give to us according to the clauses concerning reparation due us, we are giving to her. For a year we have been making loans to Germany. We continue to be her banker.

Germany gave us cattle to replace those she took. But the most important thing is coal, and here again she has not delivered at the stipulated dates the quantities agreed upon, which were but the equivalent of the quantities produced by our mines of the North. To date we have received scarcely half the quantity agreed upon.

It is easy to perceive the consequences of this attitude in so far as France is concerned. Germany does not demobilize her army. She has made up her mind to maintain a formidable instrument of war. What is the result of such an attitude? France, so often charged with militarism although her only wish is to reduce to a minimum her military expenses, is again obliged to ask her sons to remain in active service longer than she would have them do, and to continue to lay on her shoulders heavy war expenses. Indeed, for those who live thousands of miles from our frontiers, for those who have never known invasion, it is easy to think that France exaggerates the perils to come and displays an excessive nervousness. But things appear in a very different light to those who live here and have the Germans as nearest neighbors, than to those who look at them from their thresholds, so to speak, and whose minds are haunted by scorching and bloody remembrances. We know what it costs to be, as we were, too careless, confident and imprudent. Our Belgian friends, who are in the same circumstances, do not look upon them otherwise. They also think that the lessons taught by the past are the surest guides for the future.

So far France has not received any financial reparation from Germany. What is the result of this? A part of her budget remains undecided. When will the sums be paid? Will they ever be paid? Meanwhile, France must pay pensions to her mutilated soldiers and support her army of occupation. Thus this country, to whom the war cost as much in money as in blood, this country which has been victorious, must go on heaping up debts on account of the vanquished. Under such circumstances what country could restore her finances?

It is the same thing with coal. It is a truism to say that coal is the bread of industry. French industry lacks coal to

revive and contribute to the bringing back of national prosperity.

But, gentlemen, in our opinion, the most serious point is not that certain stipulated material reparations on which we counted have not been duly made. For us the gravest question remaining is that of principle and method. What gives us the most keen anxiety is neither the damage caused us by the incomplete execution of the treaty nor the arrogant and disloyal attitude of Germany, but the fear that the succession of disappointments we have had to contend with should possibly appear to be the result of a lack of union and thorough understanding between the Allies.

We must acknowledge that since we met in Atlantic City the cause of Allied unity has not made all the progress desirable. The hopes I advanced on this point have not been promptly realized. On the contrary, I am under the impression that egoism, at least for the time, has recovered much of the ground it lost during the war. Occasionally, indeed, I sadly ask myself if the apprehensions I expressed eight months ago have not already proved to be grounded; if each nation of ours,—for we are all guilty of the same faults,—having returned to its old habits and its normal life, has not become too much attached to its own personal interests, too eager to obtain the maximum of advantages to the disregard of its old comrades in battle and of the general good.

I foresaw that an economic warfare would surely follow the contest of arms if a superior wisdom did not raise men above themselves. Such a warfare has certainly no place in our mentality. It is not consciously intended and logically pursued. Yet is it not, in actual fact, being already waged?

The great international agreements that we dreamed were to put an end to the money-market crisis have not yet come to birth. So far it has not been possible to organize the desirable international credit for the benefit of the nations, victims of the war. The Edge Bill, passed a short time after our departure from America, has not yet served the purpose for which it was intended.

In view of the enormous inequality of conditions in which peace has left the Allies, it might perhaps have been more profitable to continue the practice of allotment, distribution and reciprocal aid in force during the war.

It ought not to be possible for any man who chooses to hoard the riches he has inherited from nature to either keep for himself the raw materials that he happens to possess in abundance or to employ them as a valuable medium of exchange in dealings with others to draw from them all possible

profit, without thought of the toil and suffering it cost his friends to acquire them.

We must never tire of repeating that the war, that awful ordeal through which humanity has just passed, will, if we think seriously, have in no degree advanced the cause of human progress, unless we bear in mind the lesson it teaches us, namely, that good cannot be established except with the alliance of men of public spirit and on our confidence in an order of things grounded on reason and mutual understanding.

In keeping a firm hand on Germany we should not have lacked generosity or neglected the principles that I strongly uphold,—international stability and order. Germany cannot escape from obedience to a law. Events have proved this, and will prove it still more clearly. Her leaning to democracy, her experience of liberty, is not enough to enable her to discover this law in herself. She has not sufficiently understood the lessons taught her by her defeat. Left to herself she will go back to her masters who have already led her astray. This law, therefore, must come from elsewhere, from outside. A new order will not be established in Germany unless the Allies help Germany to conceive and realize it.

It was a German, one of the men whom Germany holds in the highest honor today, it was the philosopher Fichte who said that personality is formed by the obstacles with which it comes into collision.

The new German "ego," that is to say, the new order that it is a question of establishing in Germany, will take enduring form only in proportion to the resistive and cohesive force of the Allied "non ego" with which it finds itself face to face.

If France, before setting to work to repair her ruins, had waited for the material help promised by the treaty or the aid that the interallied agreements could give her; if she had relied on help from abroad to reestablish her position at home, I should have nothing to add to what I said at Atlantic City, for we should be standing now where we were then.

But the war has not vitiated the quality of French blood, nor diminished the French vitality and ardor for work. The three seasons gone by since our last meeting have accentuated the first happy results pointed out to you at that time.

The first business of France, when her regiments were demobilized, was to proceed to the reelection of her Parliament. As soon as he had doffed his uniform and reassumed his peasant's blouse or workman's jacket, the soldier was called upon to vote and choose his representatives. The elective assemblies of the country had not been renewed since the year before the war. It was particularly important that before set-

ting to the stern tasks of peace, the nation should freely express her will. The different elections took place without incident, with appropriate calm and gravity. Certainly it is not a bad sign to see a nation returning naturally and smoothly to its normal habits on the morrow of such an abnormal period of existence.

Of the Parliament that was the issue of the general elections of November, 1919, and January, 1920, you will hear unfriendly judgment and even severe criticism. But if by chance Frenchmen ceased criticizing the Parliament they have chosen you would be justified in feeling a certain uneasiness and wondering what had come over them. Indeed, political passions are not less intense in the new chambers of parliament than in the old ones. But there is one remarkable fact about it. As soon as a great national interest is at stake, a compact majority immediately forms, animated by zeal for the public welfare and parliamentary disputes in no way lessen the activity and application of our deputies and senators. These are not the characteristics of a decadent country, an exhausted stock, or a weakening national spirit.

The most urgent task our legislators had to attack, and that without delay, was the reconstitution of our finances. They rose to the occasion. Many erroneous statements have been circulated about the French financial administration. It has been asserted that France paid the blood tax more faithfully than the gold tax and that her sense of fiscal duty was not as elevated as her sense of military duty. This is easy to say.

In the very first months of the war France saw her richest departments, the most productive from the fiscal point of view, torn from her. The large majority of her financial employees were mobilized at the front. Commercial life was entirely paralyzed. All her sources of revenue were dried up at one stroke. Her whole activity was bent and concentrated on the war. Unable to sell anything abroad, and without profits of any kind whatever she was obliged for five years to buy not only the means of manufacturing arms for herself and her Allies, but even the means of feeding the country, for her peasants had abandoned the plough for the rifle and could no longer till the fields.

It remained to be seen if a country on which all the disasters fell at the same moment had not limits to her endurance and if burdens could be piled indefinitely on her shoulders and not crush them. In spite of all this, France during the war has doubled and more than doubled her taxes.

People are also astonished at our preference for indirect

taxation. Some smile at our taste. It moves others to indignation. Each nation has its own habits and traditions. Ours date very far back. It must not be forgotten that when our ancestors plunged into a revolution which gave birth to all the modern democracies, it was to validate a conception of individual liberty which is not without its grandeur and dignity. They intended taxation to be equally distributed and impersonal, so that, under the protection of a system which respected individuals, every man should be free to manage his interests as he pleased without having to give an account to anyone but himself.

We have lived according to this principle for a century. You cannot with a stroke of the pen efface a sentiment that has grown with the very marrow of our lives. You cannot expect us to accept without a moment's hesitation a system diametrically opposed to the ideals according to which our fathers brought up their children.

The income tax is a notion which the French do not absolutely reject. They are getting accustomed to it by degrees. By trying to drive them into it roughly and clumsily you would spoil everything. The art of finance does not require less knowledge of psychology than the art of politics.

However that may be, one of the first steps taken by the newly elected French Parliament has been to bring our revenues up to the level of our expenses and thus to balance the normal budget. To arrive at this result, they have had to create new taxes amounting to more than eight billions of francs. By a precedent, unexampled in the whole of French history, the Chamber and Senate, in one permanent sitting as we may say, have discussed and voted these formidable taxes within the space of a few weeks. Therefore today, with the destruction of valuable French property of every kind not yet made good, France is going to pay taxes amounting to nearly five times those of 1914. How can it any longer be said that the French have shirked their fiscal responsibilities? Certain details of the new taxes may have been discussed and criticized. Yet no voice has been raised in Parliament or in the nation to protest against such an increase of our burdens or to endeavor to postpone the date of their taking effect.

Was it possible to do more? I was just now speaking to you of the finance act. This act provides above all for preserving the sense of limitations. Theoretically, you can, no doubt, always draw from the taxpayer more than is asked from him. But if on the pretext of filling the public coffers you touch the vital sinew of the country, if you discourage initiative, industry,

enterprise and thrift in the individual, if you deprive him of the prospect of enjoying the fruits of his labor or improving his condition and that of his children, you drive a nation to ruin by virtue of an irresistible human law. You must not hope to succeed too well and too quickly. Public finance must follow the development of private prosperity. If it anticipates that prosperity, it kills it.

What will be the effect of this enormous increase in our taxation upon the revival of business, the progress of our trade and our industry? It is still too soon for us to know. I believe, for my part, that France will not sink under the weight and that our legislators have themselves set the right limits. And such is undoubtedly the opinion of the public, for the nation's confidence in herself and in her destiny has been recently proved in a convincing manner. The loan issued at the beginning of this spring has produced 16 billion francs. These were obtained without effort; no intense propaganda was needed; they came in, as it were, by a natural movement and we have every right to feel braced up by this encouraging symptom. It is a proof of the healthy and robust optimism by which the French are animated in spite of all their temporary difficulties.

Although the balance of our normal budget is now assured, it is none the less true that a serious disturbing element still exists in our finances and hinders their complete reestablishment. To reconstitute our ten devastated Departments, to pay the pensions to the widows and children of our dead and those of our 377,000 mutilated soldiers, we are still compelled to draw on our own treasury and to open a special account, to be added to our normal expenditure. Yet this account should not be an incumbrance on us. At least in its greater part, it was charged to Germany by the Treaty of Versailles. Up to now Germany has paid nothing of the sum due for repairs, and, moreover, she has tried to shirk her other obligations. We are justified in wondering whether she will fulfill this one, and whether the Allies will be able to force her to fulfill it. Meanwhile a breach is opened in our finances and though our resources are oozing out and exhausting us because of the considerable sums expended, we do not yet know when and how the gap will be closed. What the French ask in this connection is very simple and does not exceed the limits of strict justice. They ask to be relieved as soon as possible of this uncertainty and of continuing to bear alone a burden which is not incumbent on them. They ask that the solemn agreements of the Treaty of Versailles be promptly and fully fulfilled as far as reparations are concerned. They ask to be allowed to present to

Germany the bill that they have had in their pocket for a year. They ask finally that the restoration of their devastated territories be not considered as a matter that concerns them alone. On the soil which covers the bones of their sons, mingled with the bones of your sons, they desire that the living should remain united in reorganizing existence and prove by their uninterrupted unity that the dead have not died in vain.

Several of you before the opening of our meeting have had the opportunity of visiting our devastated regions. You will have seen that the destruction exceeds in horror all that the boldest imagination can conceive. Perhaps you may have been more struck by the enormous amount of work that remains to be done than by the enormous amount of work that has already been accomplished. Yet what you have seen represents a considerable progress if compared to what you might have seen a year ago. But in such a vast area it is impossible to see at a glance the advance that has been made. It is in the center, where the results achieved are totaled up, that one can best comprehend how much of the road we have placed behind us. By the way, I should be very much pleased if the particulars gathered by the union of the great French Association for the National Effort under the pregnant title of "France Renascent" (*La France qui renaît*) could be communicated to you. I shall confine myself, however, to giving you some detailed information regarding the industrial restoration in the devastated regions, officially confirmed on April 1, 1920.

— On April 1, 1920, 3,363 ruined industrial establishments each employing at least 20 persons had been registered. On the same date, 2,412 of these establishments, that is to say, 71.7%, had already announced that they had totally or partially resumed work. To aid you in realizing what this means I will remind you that the number of establishments which have resumed work was 706 on July 1, 1919, and 1,560 on December 1 of the same year.

In 1914, these 3,363 establishments employed 668,000 workmen. On April 1, 1920, they were employing 235,000, or 35.2%. The proportion of workmen in employment compared with what it was in 1914 was only 9.7% on July 1, 1919, as against 26.7% on December 1. Progress has been slower during these last months. It is nevertheless quite satisfactory on the whole.

It is in the textile industry that the situation is the best. The proportion of men in employment compared with 1914 is already 43.3%. In the district of Lille, work in the textile establishments was resumed with special rapidity. Of the

registered establishments 78% are working. The number of workmen employed was 143,000 in 1914, as compared with 78,000 on April 1, 1920, that is to say, more than 54%. The woolen industry of the Lille region deserves special mention. At the beginning of April 79% of the men employed before the war were already at work. At Tourcoing the working population reached as high as 80% and at Roubaix as high as 84.3% of the pre-war figures.

In the iron and steel industry the proportion is not so satisfactory. However, the number of men employed in metallurgical works, strictly so called, represents 24.5% of the pre-war number. In the chemical industries they represent 39.5%, and in the alimentary industries only 20%.

If we consider the situation in each Department, we note that it is in the northern departments that the revival has been the most active, 42.6% of the workmen employed before the war having resumed work. In the Department of Pas de Calais the revival has been the slowest, the proportion being only 9.3%. The percentage in the other Departments, considering only the most important industrial regions and those which have suffered most, is 34.2% for the Somme, 33.8% for Meurthe-et-Moselle, 32.2% for the Ardennes, 19.5% for the Aisne.

The efforts which have been made on a parallel line in agriculture are similar. For example, on April 1, 1920, the situation in the Department of the Somme was that out of 198,000 hectares of devastated land, 90,000 were already well under cultivation. By autumn 60,666 more hectares will have been restored to cultivation. At the end of 1920 there will remain only 35,000 hectares to put under cultivation.

In the Department of the Somme, of 25,000 houses more or less damaged 8,200 have been completely repaired, or sufficiently to be habitable, and 10,000 temporary shelters have been constructed.

In general, on April 1, 1920, three million hectares of land had been cleared of shells and barbed wire, one and one-half million plowed; 5,500 kilometres of railway and 10,000 kilometres of road reconstructed; 1,700,000 refugees had returned home; 200,000 houses had been repaired; 50,000 temporary shelters erected; and on these 10 billion francs had been expended.

These few details will enable you to measure the work which has been accomplished. And yet the work is far from being finished. You have seen what a hard life the people who have returned to their destroyed villages are leading in cellars or in frail shelters. A great number of families, scattered all over France, are still unable to return home. Months and

years will still be necessary to restore our northern and eastern regions to normal. To advance more rapidly with this gigantic task, we lack materials, labor and money. I hope you were able, at least, to observe that our distressed population have lost neither patience nor courage and that they are animated by a spirit of determination. All France is intensely conscious of what she owes to those of her children who have been so cruelly injured. Her Parliament has showed it by passing a bill on war losses, which goes as far as possible in the direction of mutual help and relief. A grand and imposing manifestation that took place here a few days ago proved that the solicitude of the French for their unfortunate compatriots has not weakened. But France, standing alone, is limited in her efforts. May the world understand that, as the dean of the Paris Faculty of Law said in this place:

"As long as the last trace of the horrors they have suffered has not disappeared from the devastated lands, a heavy feeling of uneasiness will continue to weigh upon the Universe; Justice and Right will claim their own; for there are no time limitations to Eternal Right and Eternal Justice."

Further, the work accomplished by us in the agricultural and industrial domain of our ruined provinces is only one element of the task to which France has set herself.

Those among you who came over to France during the war, and who today have again had an opportunity to travel through the country, cannot have failed to observe how greatly conditions have already changed. The fields are no longer dead. Everywhere peasant life animates them. Everywhere, under the pressure of necessity, we are replacing missing hands by machines. If the skies remain kind a little longer, we shall have a splendid harvest this year. If the most optimistic forecasts are realized, this harvest may answer all the needs of the country. At any rate, even if we take into account possible casualties, we are sure now that France will reap about the same harvest as before the war and that in the next agricultural season she will have to have recourse only in a limited degree to imported wheat. This is a most important result, if we consider that during the war the agricultural production had decreased to 50% and that during the year just ending, we have been compelled to import 35 million quintals of grain entering into the composition of bread. That means a loss of billions to France and a consequent fall in exchange.

With regard to industry, I can affirm that here too we have not wasted our time. A surprising number of new enterprises have been floated. With reference to the old ones, most of them have increased their capital, improved their

plants and developed their means of production. A new spirit is spreading among French manufacturers. Formerly they were accused of not having broad enough views, of being satisfied with a moderate output, of not applying modern methods with sufficient rapidity and amplitude. There may have been, in this kind of timidity of French industry, more instinctive wisdom than was willingly acknowledged, and the fact that our industry has not progressed by leaps and bounds, but with a regular upward movement, leaving to the rural element the important place it occupied in the country, may be after all one of the reasons that have enabled us to prolong our material resistance and to keep our moral balance. Today conditions are altered. All the springs of national prosperity must be stretched to their highest tension. Industry, you may be sure, is equal to the tasks before it. It has acquired the sense of large figures, great proportions, bold measures. It has the men it needs, in even larger numbers. It attracts the best of our young men. It has money enough. The public only asks help in its work, and our banks recognize the duty of such support. What more does it need, then, to be an active factor in the national revival?

France lacks fuel. She lacks coal. The scarcity of coal is seriously prejudicing all our industry, but perhaps more particularly the iron and steel works. I do not say this because I am myself a steel manufacturer, but because the iron and steel industry is, so to speak, a fundamental industry, supporting all the others, and also because the iron and steel industry, in view of the return of the Lorraine mining basin to France, is capable of enormous development. I laid those facts before you at Atlantic City. They are not new to you. With the old establishments it has improved, the new buildings it has erected, the losses it has retrieved, and the acquisitions it has been able to make, the French iron and steel industry is destined to work with singular efficiency in the revival of the country and the healing of its wounds.

Now do you know that while at this moment the German iron and steel industry is producing 65% of total output, the French for want of coal can produce only 25%? When we remember that the chief cause of this scarcity of coal is the destruction of our northern mines by order of the German authorities; when we see that the terms of the Treaty of Versailles condemning Germany to make amends for this crime are not executed, with the result that Germany, though vanquished, can still reap profit from the success of their monstrous conspiracy, how can we fail to see in this situation a veritable refusal of justice, a glaring abuse that cannot be prolonged?

That is why it seems to me that it is as impossible to deny us coal as to refuse water to a wounded man.

If, on your return home, you are questioned, if you are asked, What do the French want most from us? What are they ready to buy of us? What is their most urgent need? Answer, "Coal."

These statements, in the nature of summaries, which I have made, fully allow us to assert that France is on the right road and to a certain degree corroborate two other facts which I should also like to bring to your attention. The first is that if you study the general statistics of our trade, you will notice that the difference between our imports and our exports is steadily decreasing. Since January 1, 1920, compared with the corresponding period of 1919, our exports showed an increase of 3,854 million francs. During the same period, the increase in our imports was only 1,927 million francs. The deficit in our commercial balance is thus reduced by 2,000 million francs.

You will please notice that this increase of 3,854 millions of francs in our exports represents, in comparison with last year, an increase of 162%. But the most remarkable fact in these figures is the importance of the increase in the sale of our manufactured goods abroad, which has increased from 1,344 millions of francs to 3,688 million.

The second fact that I will point out to you is that the return from our indirect taxes every month considerably exceeds that estimated, often by more than 50%. I do not believe that there can be any better gauge of the reviving activity of a country. In view of these two facts, doubt seems impossible. France is recovering and, if Allied policy comes to help to only a small degree, the progress of her recovery will be more and more rapid and she will be in sound health again. At present, she is physically quite convalescent.

I have only now to speak a few words about her moral state. Public spirit in France has evolved during the period which concerns us in a way that is worth your attention. When we met last October at Atlantic City, you will remember that our American friends were rather disturbed by the growth of bolshevism in Europe and asked us, "What chances of success has bolshevism in your countries?" I replied: "In France, none."

Since that time, the symptoms which authorized me to make such an assertion have become plainly characterized. Bolshevism, or at least that which is called by that name, I mean revolutionary agitation inspired by the example of Mos-

cow, has suffered two severe setbacks, two serious defeats, which greatly impair its future prospects.

The question of bolshevism was placed in the platform in the elections of November, 1919. The answer of the nation was disastrous for the revolutionary party.

However, this first lesson did not open their eyes. They saw about them a certain feverish discontent. High prices, the difficulties inevitably resulting from the readaptation of individuals to new conditions of existence, the transportation crisis, kept the public in a state of nervousness and irritability, a sort of chronic bad temper, regarding the causes of which the revolutionaries were totally mistaken. What was only the impatient desire to get back as soon as possible to stability and order, what was only superficial restlessness and the inevitable reaction after the upheavals caused first by the war and then by the abrupt cessation of the war, was obstinately regarded by the revolutionary party as a deeply rooted determination to start a social revolution, an absolute abhorrence for the established order of things, an eager longing to exterminate the middle class. As if there were really a middle class in France, as if there were any definite and sacred impassable frontier in France between the middle class and the people!

The revolutionary party fancied that the popular common sense, the old reasonable instinct of the French nation, would be as naively impressed as it was in Russia, so distant, so elusive and so complex. On the other hand, they wanted to take advantage of circumstances which, they feared, would not be so propitious again for many years. The barracks were empty. The army remained far from home in the occupied territories.

Pressure was exercised on them from abroad and they had not the courage to resist. On the appropriate date, May 1, after a handful of extremists had seized by surprise the leaders on the important corporation of railway workers, the revolutionary party endeavored to put into effect that general strike which, as they meant it, was to be the prelude to revolution. The French people will rise for great causes, for liberty, for the country or simply for honor, but they will not march to such a concealed pretension and vague war-cry as "industrial nationalization,"—the war cry chosen by the revolutionaries to give their movement a sort of disinterested and scientific aspect.

The general strike was a complete failure. The majority of workers kept their heads and refused to strike. The leaders, who thought they would draw the crowds with them in torrents, found themselves alone. The public to a man took part against them. Numberless volunteers were seen offering their services

to replace the strikers. Everywhere the sound sense of our citizens raised insurmountable obstacles in the path of the revolutionary movement. Backed by the Parliament and general public opinion, the government acted with firmness but without brutality. Certain hotheads were, so to speak, protected against themselves; and without any violence and in less than a fortnight the great revolutionary prank ended.

The movement of May 1 caused some dislocation of the national life; but, on the whole, I think it did more good than harm. It put an end to the influence of hotheads and madmen on the working class. It enabled the parties of order and disorder to count their respective forces and proved that the party of disorder was insignificant. It consigned bolshevism to the limbo of superannuated scare-crows and proved that this Asiatic pest cannot thrive in our Gallic country. By dealing summarily with menaces of violence it reopened the way to methods of rational evolution, pacific discussion, reform, mutual help and progress. Above all, it revealed the fact that the French nation had learned wisdom during the war and after and was open to a new conception of democracy.

Before the war, we had been led to an insensible degree to considering democracy as the form of government that offers the greatest scope to individual cravings and caprices. Democracy presented itself to us, on the whole, as the system that best allowed the citizen to do as he pleased, to shirk his more severe obligations and generally to save himself trouble.

This democracy wore the face of a good-natured girl who never gets angry. Now, the trials they have passed through have brought many Frenchmen to see democracy with other eyes. They have perceived in her a Minerva of grave aspect, who with the olive branch carries the helmet and the spear. They have realized that democracy is above all the right to choose your leaders freely, and that this right involves the duty of choosing them well, for their intellectual or moral worth, not for their wealth, their birth or their eloquence. They have realized that they must not let the principle of authority crumble to dust, because no human enterprise can stand without a leader; that they must on the contrary restore and maintain the practice of civic discipline, that is to say, respect for the laws, obedience to duly constituted authority, the notion of duty towards the state and the entire nation; because without some virtue of this kind the exercise of liberty leads to demagogy.

Such are the ideas which are passing through the mind of many a Frenchman. If you heed them, they will explain to

you our history of yesterday, and they will prepare you to understand what will be, I hope, our history of tomorrow.

I have finished the picture I wanted to draw for you, of what has been, while we were separated, the activity of France, and also of what this country thinks and desires now. Have I used too rosy colors? I was optimistic when you first knew me. I am so still. However, I do not hide from myself and I do not think I have hidden from you the dark corners, the still alarming problems which are not yet solved, the still uncertain stage of our convalescence, nor, above all, the immensity of the task we have yet to accomplish. Besides, if you wish to form an idea of our daily difficulties, the dangers, quarrels, recriminations amidst which our way lies, you have but to glance at our newspapers. They are both the expression of all this fevered energy and, by their incessantly renewed criticism, the spur to all this activity. It seems to me, however, that if one gets away from the turmoil of the street, from the noise of everyday life, if one climbs upon the silent hill from which the eye can embrace the spectacle of the nation at work, one then discerns the direction of its effort; one sees the slow and steady progress it is making, the great results it is attaining. The shouts die away, too vivid details disappear, and the image which remains before the eye is that of a clear-visioned and tenacious nation, which knows that its future is in its own hands, which stroke by stroke mounts the current of adversity.

As a French citizen, I congratulate myself. You will allow me to add that I congratulate myself no less as a citizen of the world. I share the opinion of those who think that it would be most dangerous to leave in the center of Europe nations reduced to despair, destitute of everything, and powerless to rebuild their prosperity. But have you thought of the danger that would menace Europe and the rest of the world in a France crushed under her financial burdens, unable to rise, a bankrupt France, whose inhabitants unnerved, restless and in revolt against their fate, might answer the calls of revolution and anarchy?

When France asks to be helped in her work of revival, it is not simply because justice demands that, the victory having been won in common, the cost of it should be borne in common. It is not out of mere selfishness, for she is strong enough to rise again alone. I have said it already, and I say it again, France, given time, has the force to rise again alone. But it is also because she is conscious of being one of the pillars upon which universal peace rests, and it is to the interest of all that

this pillar should be strengthened and consolidated as soon as possible.

Of this interallied unity, this international unity, she does not claim to keep the whole profit for herself. On the contrary, she wishes its benefits to be spread over all nations. She is convinced, today as yesterday, that peace will take root, that stability and prosperity will be restored again only if nations are wise enough to foster the sense of their common interests, and to prefer fruitful concord and mutual help to barren antagonism and strife. This is why the International Chamber of Commerce has met in France with general sympathy. The ideal that it embodies is an integral part of our ideal.

Truths, even when they are most convincing, do not spread all over the world in a flash. The most striking events which themselves bear out those truths are insufficient to win them the assent of men. They must grow up slowly in our minds and blend themselves, little by little, with their substance. But to attain this end, there must be found somewhere men of patience and public spirit, men of faith, never weary of preaching the truth in word and deed.

You are these men; you have this will and this faith. The International Chamber of Commerce sets the example to the world. I believe this plant will endure, this plant of your setting, with you. Thanks to you, it will grow, it will live, it will come to fertile maturity.

Address by the Premier of France, M. Millerand

About six weeks ago the International Parliamentary Conference of Commerce closed its sixth plenary assembly in Paris, in the course of which it examined the economic situation of the world and adopted resolutions that were perfectly clear and extremely useful.

Today it is no longer parliamentarians of the Allied countries who have met together to seek for remedies to the crisis from which the world is suffering, but business men, merchants and manufacturers, that is to say, the very artisans of commercial and industrial activity. If the program of your congress resembles in many respects that of the Parliamentary Conference, you approach it at any rate in a different spirit and with quite a different outlook.

It is so vast that you have wisely resolved to restrict your effort this time to heads of chapters. The questions that you will find there, as a matter of fact, include the whole of political economy,—distribution of raw material and general economic policy; the financial problem with that formidable

unknown quantity, exchange, which upsets all forecasts; transport and freights, so changed since the war that in this must be sought one of the principal causes of the present confusion; the curse of unfair competition, which the clauses of our Peace Treaty so justly try to stop; and finally, the urgent and heartbreaking problem of the reconstruction of the devastated regions, the immeasurable difficulties of which many of you have been able to appreciate for yourselves.

But your ambition will not be satisfied with having a program and studying it. You have come here to start a work with the nature of which you are well acquainted, for the project has for a long time been ripening in your minds.

When the Allied missions met at the Conference at Atlantic City last October, at the invitation of the Chamber of Commerce of the United States, whose members wanted to meet our men of commerce, industry and finance, and learn from their lips how they intended to cope with the economic revival of their country, these missions undertook to show the general situation of Europe to the American people. It was then that you decided to continue a contact so happily established and to create a permanent organization. It was thus that the idea of the International Chamber of Commerce which you are founding today was born. Its promoters and founders are the Allies. On them lay the burden of the war, and as they made war, so today they wish to make peace,—a beneficent peace from which shall result the prosperity of their countries, now forever united.

International congresses of chambers of commerce were known from time to time before the war. Useful and profitable as they were, however, it is really something new to have an International Chamber of Commerce, a permanent body designed to act as a bond between the national organizations in which each country groups all it has that is of any account from a commercial, industrial or financial standpoint.

It is also the first time we see our American friends in such numbers taking part in the work of an international organization. They have come here full of the same enthusiasm with which we saw them land in France in the middle of the war, to help, as Roosevelt put it, save the soul of the world.

You have been over the devastated regions; you have been able to get a first and feeble glimpse of what the sufferings of France have been. You have seen and now you know. You are acquainted with our desires and our needs. You are bringing us your help. To be efficacious it must be durable, as it surely will be.

When the distinguished President of the French Delegation delivered his opening address at Atlantic City, he said very justly and positively: "At the moment of the signature of the armistice all the countries of Europe were more or less like sick men who think themselves cured as soon as their fever abates and try to get up. Their weakness warned them that between illness and health there is convalescence, and they are learning to their cost that the convalescence is not less difficult to get over than the illness."

Eight months have passed since then. You can note for yourselves the progress of the convalescence. France is up and doing. She is waiting for you. You have confidence in her, and she repeats the words Turgot wrote of you in 1776, "America is the hope of the human race."

Gentlemen, you are going to set to work. Later, when the foundations of the house that you are undertaking to build are laid, you will superimpose the different floors. Other adherents, other Allies and neutrals will join in. Nay, the hour will even come to admit those who fought against us.

But in opening your ranks to newcomers, you will at the bottom of your hearts preserve a faithful and grateful remembrance of the early days. You will keep intact the solidarity that gave you the victory in the war, and which in peace will permit you to hasten the reconstruction of a new Europe.

The fifth session adjourned at 5.15 P. M., to reconvene at 10.00 A. M., Tuesday, June 29, 1920.

PRODUCTION, DISTRIBUTION AND UNFAIR COMPETITION

**SIXTH SESSION, TUESDAY MORNING, JUNE 29, 1920,
10.00 o'clock.**

The meeting was called to order by Senator Vittorio Rolandi Ricci, Chairman of the Italian Delegation, who presided at the sixth session. The special subject for consideration at this session was production, distribution and unfair competition.

Resolutions Adopted

The Committee on Resolutions reported four resolutions which originated with the Committee on Production, Distribution and Unfair Competition, and on

recommendation of the Committee on Resolutions, each of the four resolutions was adopted. These resolutions (see Appendix B) were:

Resolution No. 7, regarding the prevention of unfair competition.

Resolution No. 8, regarding uniform customs tariffs.

Resolution No. 9, regarding embargoes on imports and exports.

Resolution No. 10 regarding a central bureau of international statistics.

A general discussion was had on the special subject of production, distribution and unfair competition.

The sixth session adjourned at 10.30 A. M., to reconvene at 2.30 P. M., Tuesday, June 29, 1920.

RAW MATERIALS

SEVENTH SESSION, TUESDAY AFTERNOON, JUNE 29, 1920,
2.30 o'clock.

The meeting was called to order by Senator Vittorio Rolandi Ricci, Chairman of the Italian Delegation, who presided at the seventh session. The special subject for consideration at this session was raw materials.

The Committee on Resolutions reported to this session resolution No. 11, regarding raw materials, which resolution was considered at length and referred back to the Committee on Resolutions for amendment in accordance with suggestions made from the floor.

On. Avv. Marco Cassin, on behalf of the Italian Delegation, addressed the meeting on the subject, "Italy's Problem with Respect to Raw Materials."

A paper prepared by M. Charles Laurent, President of the Union of Mining, Iron and Steel Industries of France, entitled "Reconstruction of the Devastated Regions," was read by M. Pesson-Didion, Director of the Central Society of the Electrical Industries.

A digest of the paper by M. Laurent and the address by On. Avv. Marco Cassin follow.

Paper by M. Charles Laurent

President, Union of Mining, Iron and Steel Industries of France

I have been entrusted with the mission of submitting to you a general sketch of the problem of reconstruction. I shall be as brief as possible. As you know, "The steam that blows the whistle does not turn the wheel." This is a dry statement, and I ask for your indulgence, but I believe also that you are more familiar and better pleased with facts and figures than with talk.

For more than four years France has been the battlefield of the world. Seven million men have been mobilized or one-fifth of the population. One million and a half are dead or crippled for life. Ten of our richest districts have been invaded, representing 35% of our sugar production, 63% of our steel production, 81% of our textile production, and 92% of our iron ore.

Before explaining what was to be done at the time of the signing of the armistice, what has been done already and what remains to be done, I must first point out the terrible method in which the enemy acted in accordance with a perfectly elaborated plan, to wreck our means of production.

At the beginning, the Germans began to get hold, by means of requisition, of all of those goods which they could not further import. Then they decided to transfer to Germany all our machinery, in order to strengthen themselves and, at the same time, to weaken us.

After this period of utilization came a period of destruction. The Germans pulled down the metallic frames of the factories and transformed into scrap iron the special machinery which could not be transported. Such destruction was carried on without interruption until the end of the war, even after the armistice was signed.

If you add to those systematic destructions the ravages made by the war itself, the towns and villages blown up and burned as the result of the incessant firing of the guns, the fields overturned by the battles raging for more than four years, what is the total of the damages?

A few figures will give you a general idea of the damage done to France. These figures have been based on values in 1914. They should be multiplied by four in order to obtain present values. The damage to industrial property amounted to 7,260,269,456 francs, and the damage to buildings, arable

lands, woods and forests, rail and water ways, ports, roads, postal services, etc., 54,774,000,000 francs.

These figures give you a pretty accurate idea of the work with which France was confronted at the time when it was possible for her to count her wounds and measure their extent. Tremendous as seemed at first sight the amount of work to be done, and the extent to which it seemed to exceed the available resources of labor and supplies, France was not discouraged, but immediately set to work without complaining.

The best evidence of this can be placed before you in a new set of figures which will demonstrate to you the extent of the efforts already made by France to again get on her feet.

All the main and branch lines of the railroads have been repaired. On March 1, 1,632 kilometers of roads had been repaired and 1,954 kilometers had been relaid.

On May 1, 1920, 185,600 houses had been repaired; 23,500 wood huts had been constructed; 28,200 wood houses were under construction and 16,800 houses had been built of cement. Out of 3,950,000 hectares of land torn by shells and covered with barbed wire, etc., on March 7, 1920, 3,263,000 hectares had been cleared. On July 1, 1919, 9.7% of the pre-war total of labor was employed and on June 1, 1920, 37.9%.

That is what France has already done in the way of reconstruction. If you take into account the enormous difficulties which had to be overcome, you will realize the immensity of the task which has already been performed. But much remains to be done.

We expect to complete the work of reconstruction in the course of the next six years. We are confident that the houses will be rebuilt by that time and that the factories will have been reerected. The great problem, however, is for us to keep those factories running when they are ready to start again. Then, there is the question of coal, which is the most important for us. In 1913 the production of the French coal mines amounted to 40 million tons. The total consumption was about 63 million tons, leaving a deficit of 23 million tons. During the war the production of the coal mines fell 30 per cent, the majority of the pits in the North and Pas-de-Calais being occupied by the enemy. They were actually the scene of some of the severest battles. Who does not remember the capture of the Vimy Ridge and the battles of Lens fought by our heroic Allies.

Even with the utmost development of waterpower, we shall be short of coal. When the pits are again in order, the production of France will amount to 45 or 46 million tons. Alsace-Lorraine produces about 3 million tons, but as she consumes

11 million, her return to France, instead of making the problem easier, has made it more difficult. The home needs of the country will amount to about 38 million tons. The Saar basin produces 13 million tons, which after deducting its own consumption, leaves a net surplus of 7 million tons. Under the stipulations of the Treaty of Peace, Germany is obliged to send 20 million tons of coal yearly to France to replace the production of the mines she destroyed; and she must also deliver to us yearly an additional 7 million tons, which was the average amount she sold to us yearly before the war.

Up to the present we have not even received one half of the quantities which Germany must give us. We are strictly rationed and coal is about half as dear as bread. How much that situation affects you, we realize when reading the resolution you passed the other day.

Through the Treaty of Peace we obtained certain rights. We must have them; we shall enforce them.

Remember, gentlemen, we have sustained the most terrific shock which has ever staggered humanity. We gained victory, but how many million men died under the flags of the Allies?

They cannot have died for nothing, and the best monument we can build to the memory of the fallen heroes not only of France but of gallant Belgium in the North, of indomitable England in Flanders, of valiant Italy in Champagne, of noble America in Lorraine, is to erect in the districts of Dunkirk, of Lens, of Rheims, of Chateau Thierry and Saint-Mihiel new towns, new factories striving and working to make the world better and happier.

Address by On. Avv. Marco Cassin

Member of the Italian Delegation

Italy must rely for the supply of the greatest part of raw materials necessary to its industrial and agricultural activity upon foreign countries, and it can be seen that the total amount of such imports in pre-war years was much higher than that of imported manufactured goods, although the unit value for raw materials be much lower than for manufactured goods.

IMPORTS INTO ITALY

(Values given in thousands of Italian lire.)

	1911	1912	1913
Raw Materials	1,291,032	1,384,138	1,391,459
Semi-finished Materials	628,360	675,990	699,641
Finished Products	805,783	858,822	851,937
Food Products	663,621	782,972	702,602
Total	3,389,398	3,701,922	3,645,639

About 58% of our imports was represented by raw materials, 23% by finished products and 19% by food products.

This situation could be considered as rather satisfactory. A continuous increase could be noted in the importation of raw materials, a positive proof of the country's industrial development. At the same time, this dependence upon other producing centers for our raw materials created for Italy a condition of inferiority.

Although other countries have, in common with us to a greater or less extent, the raw material question, it is to be noted that they are generally able to draw upon their colonies for such materials as they cannot obtain at home. Italy, being able to import from her colonies only a few unimportant products, is compelled to avail herself of raw materials obtained through second purchase, under much less favorable economic conditions.

This situation is further complicated by the lack of sufficient national shipping facilities for transportation of raw materials from overseas. Thus it will be seen that Italy must rely, now more than ever, upon the support of foreign shipping.

Italian industries, therefore, not only operate with raw materials of a generally much higher primary cost than do their principal competitors, but are under a further and greater handicap because they cannot rely upon an adequate and continuous supply of raw materials.

The two conditions which affect our national production more than anything else are:

(a) A positive guarantee of a certain supply, at the point of origin in the producing countries, of raw materials in a quantity sufficient for the manufacturing capacity of Italy.

(b) A positive assurance that such materials will be obtained under the most favorable conditions, that is to say, at prices not artificially higher than those obtaining in raw material producing countries.

Therefore, the economic policy of Italy will have to be developed with the utmost energy and in accordance with the above conditions, which are absolutely necessary to our industrial and commercial existence.

During the war the Italian nation was obliged to make an immense effort and to submit to a great number of hardships, so that a greater part of its available financial and transportation facilities could be utilized in the supply of raw material for war purposes.

As a direct consequence, the supplying of raw materials for agriculture and the manufacture of goods for peaceful pur-

poses was materially restricted. Almost all supplies available in Italy had been exhausted to such an extent that at the end of 1918 and during the early days of 1919 our country could not rely upon anything but the very depleted stocks available in the harbor of Genoa.

In 1919, and in the first months of 1920, the imports of raw materials were still lower than the normal quantities for pre-war years. Our industries had been developed to a much greater extent and their capacity for absorption of raw materials increased. The imports of raw materials for 1919, which amounted to 7,932,266 tons, were about 50% of those for 1913, when they totaled 14,970,779 tons.

The principal raw materials the imports of which have decreased are coal, cotton, stones, clays, construction and wood-working lumber, scrap iron and steel, etc.

The situation was still worse during the first part of this year. A very noticeable decrease has taken place in the importation of the most important raw materials, which is clearly indicated by the following statement of imports, during the first three months, expressed in metric tons:

	1913 tons	1914 tons	1919 tons	1920 tons
Raw cotton	57,304	63,654	50,831	30,407
Greasy and washed wool	7,783	7,102	8,747	6,594
Pig iron	56,630	56,645	30,334	18,709
Tin	653	694	515	72
Zinc	3,350	3,211	2,169	638
Coal	2,635,530	2,629,170	1,244,680	1,184,300

Italy does not believe that the main cause of this shortage of raw materials is a decrease in the production of raw materials in the other countries of the world. The Supreme Economic Council formed during the Peace Conference has been able to ascertain, through its own investigations, that no lack of raw materials, barring a few exceptions such as Egyptian cotton, jute, etc., existed in any of the world's producing centers.

It is to be believed that in the last few months decrease in production can be limited to coal and semi-finished products, which has been due to diminished turnover in the plants.

In Italy, the causes are found to be mainly the difficulties in supplying the materials and in finances, which in turn are due to the depleted supply of goods in the international market on account of concealment of stocks, direct and indirect restrictions and embargoes imposed by the producing countries to control fundamental sources of supplies; the lack and high cost of transportation and the high rate of exchange.

The Italian economic delegation at the Peace Confer-

ence emphasized the international apportionment of those raw materials of which there is a scarcity in the world markets, but the arguments presented were overruled by the interests of those countries producing and exporting raw materials.

In view of these facts Italy does not insist upon such a plan of apportionment. She merely asks that, in justice and in acknowledgment of the very heavy hardships which she endured in the common war, *no other State should enforce against her any measures which directly or indirectly would interfere with the supply of raw materials in such a quantity as may be necessary and sufficient, or should increase their cost so as to place her in a condition of inferiority in comparison with exporting countries.*

Italy more specifically asks:

1. That every state should obligate itself not to place any embargoes or restrictions on the export of raw and semi-finished materials, or food products of any kind, from its own territory or its colonies.

2. That every state should obligate itself not to place any export duties on raw and semi-finished products exported either from its own territory or from its colonies.

3. That every state should obligate itself not to fix higher prices for raw and semi-finished materials to be exported than those obtaining for the same goods in its own market.

4. That no other burdens of any nature whatsoever be placed upon exports of raw and semi-finished products, even through non-governmental agencies or activities.

What Italy desires, as above outlined, is not only in the interest of the countries which import raw materials, but also in the interest of the exporting countries, which countries will have to realize that, as a consequence of a restrictive policy in the trade of raw materials, there might ensue a considerable increase of price on manufactured goods in those countries lacking raw materials, that is, in the markets which might absorb the finished products of such countries which command the greatest supplies of raw materials. This policy of retaliation could not only be general but could also take the character of differential duties, thus becoming a very powerful weapon against those countries which place restrictions or special burdens on the exportation of their raw materials.

This would mark the beginning of an era of localized trade, which would not only be a misfortune for the commercial activity of the whole world, but would be particularly detrimental to those countries whose existence depends upon the expansion of their foreign trade.

The seventh session adjourned at 5.00 P. M., to attend a banquet tendered to the delegates and to reconvene at 10.00 A. M., on Wednesday morning, June 30, 1920.

The Joint Committee on Permanent Organization tendered to the delegates representing Belgium, France, Great Britain, Italy and the United States a banquet at 8 o'clock at the Continental Hotel, at which time addresses were made by M. Etienne Clementel of the French Delegation, M. Louis Canon-Legrand of the Belgian Delegation, Mr. A. J. Hobson of the British Delegation, Senator Vittorio Rolandi Ricci of the Italian Delegation, Mr. John H. Fahey of the American Delegation, and M. Yves Le Trocquer, French Minister of Public Works.

SHIPPING

EIGHTH SESSION, WEDNESDAY MORNING, JUNE 30, 1920,
10.00 o'clock.

The meeting was called to order by M. Louis Canon-Legrand, of the Belgian Delegation, who presided at the eighth session. The special subject for consideration at this session was shipping.

Resolutions Adopted

The Committee on Resolutions reported to this session five resolutions originating with the Committee on Shipping, and on recommendation of the Committee on Resolutions each of these was adopted. These resolutions (see Appendix B) were:

Resolution No. 12, regarding port facilities.

Resolution No. 13, regarding trade terms and quotations.

Resolution No. 14, regarding passports.

Resolution No. 15, regarding subsidies.

Resolution No. 16, regarding the unification of laws governing maritime commerce.

M. Alexandre de Groote of the Belgian Delegation presented a paper on the maritime situation, which was ordered distributed to the delegates.

Paper by Alexandre de Groote

Vice President, Chamber of Commerce of Antwerp

As the Belgian Delegation requested me to give special attention to the third part of the program of subjects of the organization meeting having to do with international exchange, with freight and the present situation regarding ocean transportation, I think it advisable first of all to place before you briefly my last report on shipping made to the International Trade Conference held in Atlantic City in October, 1919.

After having shown that the tonnage afloat is about 10% more than the pre-war tonnage and that the total weight of goods carried by the world's maritime traffic is far below the 265 millions of tons carried annually before the war, the Belgian delegates to the International Trade Conference at Atlantic City concluded as follows:

"It will only be by a prompt and gradual return to entire commercial liberty and through the operation of all steamboats by private enterprise without government control that the supply of tonnage can be rendered adequate to meet the demand for tonnage. They anticipate from absolutely free competition an immediate reduction in freight rates, this to the great advantage of international commerce. They suggest that ocean transportation be made the subject of a prompt inquiry and of a detailed report on the question of reducing freight in general to a standard more in keeping with the present cost of construction and labor conditions. They demand that the countries in possession of merchant vessels sacrifice their fiscal interests and the commercial profits which they derive from the merchant vessels built during the war. They consider that the expense incurred by these war mercantile fleets should be defrayed by their respective countries as a war expenditure. Such a program would be conducive to a more rapid revival of commercial relations among nations."

On October 31, 1919, the Chamber of Commerce of the United States consulted its 1,200 affiliated associations through a referendum to ascertain if they were in favor of or opposed to:

1. The sale of ships worked by or being constructed for the American government (United States Shipping Board) either to individuals or companies of American nationality or to foreigners.

2. The absorption by the government and its liquidation as a war loss of the difference between the cost of ships and their value.

3. The purchasers' option of fixing freight rates and of deciding upon modes of employment, routes, nature of traffic, without government restrictions.

There were other questions with regard to the building of new ships, insurance, classification and transfer under a foreign flag.

On the other hand, the Commerce Committee of the United States Senate, after having carefully consulted those concerned, persuaded the government to discontinue the operating of ships, leaving it to private enterprise to maintain and increase the national mercantile marine. This committee realized that the mercantile trade demands individual initiative, a freedom of judgment and experience which cannot be acquired under government control.

For some months past the ships of the United States Shipping Board have been operated for the government by ship owners who have had the option of fixing freight rates and the rules governing employment.

The shipping bill which was considered and approved at the beginning of June by the Senate of the United States but not yet enacted into law, contains the fundamental principle that the operation of American merchant ships must be finally undertaken and as soon as possible, through individual enterprise and on behalf of private interests. All the government ships, therefore, will be sold either publicly or by private sale, after having been valued publicly. The ships may be sold to foreigners, provided that five of the seven members of the marine council are agreeable. American citizens will have 15 years and foreigners 10 years to pay for the ships purchased on installment.

The British government has gradually given up the control of the operation of merchant ships, which it was obliged to exercise during the war with particularly unfortunate results which hampered the development of industry and led to errors and abuses always inherent in all administrative intervention and government control. Control of maritime transportation maintained by Great Britain is confined to cereals and sugar, on which reduced freight rates are allowed, to the supply of bunker coal and to the prices demanded by the collieries. This is how the chairman of the Chamber of Shipping of the United Kingdom, Mr. W. J. Noble, expressed himself on this subject in his address at the last general assembly:

"We have had nearly five years of government control and administration of our affairs. Many of us have been the victims of the paralyzing and revolting system which seems to be inseparable from government control, the characteristics of which are extravagance and waste. It kills all initiative. Indifference is its distinctive and invariable feature. It is presumptuous. It is disdainful of advice. Every idea of co-ordination is unknown to it. An example was recently given

of government methods when a ship was loaded and unloaded nine times in a London dock in order to carry out the contradictory orders which came from five different government departments.

"It is an instructive fact, strikingly true, that the business firms and industries which have been completely freed from all control are on the road to recovery, while those which are still under the control of the government go from bad to worse."

At the same general assembly the following resolution was passed.

"The Chamber of Shipping of Great Britain deplores the participation in international trade of mercantile fleets belonging to governments as constituting a menace to the peace of the world for the future."

At this meeting Sir Kenneth Anderson also made the following remarks:

"If international commerce, maritime or otherwise, becomes the domain of governments, we may expect that all international relations will be continually and radically embittered and we shall pass through periods of open hostility alternating with periods of fierce commercial rivalries so desperate that they will amount in fact to a state of war."

Another resolution passed referred to congestion in the ports and was as follows:

"The Chamber of Shipping deplores the present congestion in the ports which prevents the regular traffic of imports and exports and contributes to the maintenance of the high prices of all products by diminishing the maximum use of available tonnage."

The question of efficient and prompt loading and unloading of vessels in harbors has had especial mention during this meeting and I wish to add a few words on that subject.

The submarine war has destroyed many of the coasters with the result that, principally in England, there is a considerable decrease in the traffic between English ports and a corresponding increase in the rail traffic in the interior of the country. This increase in rail transportation has resulted in a shortage of rolling stock which has in turn reacted on the port facilities. The movement of merchandise from the ports is so slow that the congestion very much hampers ships waiting their turn to unload or to load. It has often happened that steamers loaded with general cargoes have had to wait several weeks, even months, before being able to unload.

In the frozen meat trade, about 40 ships were tied up in English ports at the end of 1919 and the beginning of 1920

for periods varying from 3 to 13 weeks, owing to shortage of refrigerating machinery, and also because for the cargoes imported on the behalf of the government no buyers could be found at the prices demanded.

Sir Norman Hill has shown that the delay in the English ports has reduced the efficiency of all maritime tonnage by 20%, that is to say, a steamer which could have made five journeys a year makes only four. If this loss be estimated in figures, he has proved that it corresponds to a loss in transportation of 10 millions of tons over a period of one year.

At present there is much less congestion in the ports, but it goes without saying that these delays have exerted and still exert an influence on freights. They are, however, far from being the principal cause of the continued high freight rates, and I consider it advisable to state fully the real causes of these high freight rates. These causes are of two different categories:

1. The development of maritime transport from 1914 to 1920 brought about by the war and its consequence.

2. The cost of labor, which corresponds primarily with the present high rates for all materials, but has been artificially increased owing to certain arbitrary measures.

Before the war, of the 260 to 280 millions of tons of goods carried by sea, about half came from Western Europe. They constituted the return freight for the import of grain, seeds and other foodstuffs, raw materials for industry, fertilizers, etc.

The incoming tonnage was about equal to the outgoing tonnage. The outgoing tonnage of Western Europe in 1913 was: 73,000,000 tons of coal from the United Kingdom; 12,000,000 tons of manufactured products and foodstuffs from Great Britain; 35,000,000 tons of manufactured goods and various exports from France, Germany, Netherlands, and Belgium; total, 120,000,000 tons.

The tonnage coming into the same countries was: grain, rice, seeds, food and forage, 40,000,000 tons; sugar, coffee, meat, fruits and other foodstuffs, 15,000,000; wood and wood pulp, 17,000,000; raw textile materials, 6,000,000; ores, 22,000,000; industrial and other seeds and raw materials for industry, 10,000,000; fertilizers, 3,000,000; total, 113,000,000 tons, not taking into account about five million tons of oils imported from other countries by tank-ships returning in ballast.

The freight ships used for this traffic generally found full cargoes for their outward and return journey. This enabled them to fix low freight rates, since journeys in ballast were practically impossible over a long distance.

In 1919 and 1920 the situation was very different from that

of 1913. The annual tonnage carried in the world's traffic does not seem to be more than 150 to 175 millions tons a year, as against 260 to 280 millions before the war.

With respect to the import of cereals and forage, grain for breweries and distilleries, only 30 million tons were unloaded as against 40 million before the war. Imports of ores and raw materials are very much below the pre-war figures. Instead of exporting 73,000,000 tons of coal (94,000,000 tons if we include the supply of bunker coal), Great Britain exported in 1919, bunker coal included, only 47,000,000 tons, about half that of 1913. During the first four months of 1920 she only exported 10,000,000 tons in coal cargoes, on the basis of 30 to 35 million tons a year. From July of this year the total export of coal cargoes will not be more than 20,000,000 tons per year. It must be added that the total coal production of Great Britain has fallen, between 1913 and 1919, from 287 to 229 million tons.

Some attribute this decrease in production to the working of the coal mines by the government or under the government administration; others to the decrease in the output of the laborers. A great part of the best labor disappeared during the war. Let me add that the output of the miner fell from 265 tons in 1913 to 214 tons in 1919 and 203 tons in January, 1920. These figures may be compared with the average of 340 tons for the five years from 1906-1910, the highest figure (360 tons) having been reached in 1906. Let me also state that the number of miners in Great Britain was greater in 1920 than in 1913 (1,185,300 as against 1,118,453).

But to these two causes of diminution a third must be added, more important but temporary, brought to light by the work of the committee of the Board of Trade which investigated the question from 1916 to 1918. This committee, which was composed of eminent persons from the British coal industry, said in its report:

"All those who have spoken from all the districts are unanimous in asserting that during the war the work of improving the plants has been forcibly neglected owing to the lack of labor and there are great arrears in repairs to be made up; several veins and layers have had to be abandoned and a great deal of time will be required to put them into working order at the end of hostilities. If the war is over in 1917, the time required can be estimated at 12 months. If the war continues a proportionally longer time will be required, and it will be possible to equal the production of 1913 only when the mines have been repaired."

Further, the same committee considered that it would be possible to increase the production of 1913 by an annual aggregate of about 30,000,000 tons from 1918 to 1927.

Whatever may be said about these forecasts and the supposition that the average coal production of Great Britain can again be reached in a few months or can be greatly surpassed in a few years, it is not less certain that there is today a disproportion between the incoming and the outgoing transports of Western Europe. A great deal of coal comes from America. Some is even imported from South Africa and from Australia; and as the demands for freight are only made for one direction, the balance is upset and the freights are affected.

Instead of the total of imports and exports for Western Europe being from 110 to 120 million tons, the outgoing tonnage is now hardly more than 50 to 60 million tons, and the incoming tonnage is more than 80 million tons.

The costs of operating ships have materially increased with the rising prices of raw materials and labor. Certain procedure and action taken, and more especially the establishment by the British government of excessive prices for supplies of bunker coal, have had the effect of keeping freight rates high, all of which is to the great disadvantage of European demand and their manufacturing industries. The imposing of minimum prices of from 100 to 125 shillings a ton for bunker coal delivered free in English ports, while British industries are supplied with coal of the same quality at a maximum of 40 shillings a ton, can apparently only be justified as a fiscal measure aimed more particularly at the foreign consumer.

At the beginning of this report, I reminded you that last October the tonnage afloat was 10% more than the pre-war tonnage. At the present moment, it is 15% more.

On the other hand, at the end of last March, 7,941,000 tons of net tonnage were in the course of construction, as against 3,343,000 tons in 1914:

	Tons
Great Britain	3,394,000
The United States	2,573,000
Holland	366,000
Italy	355,000
Japan	285,000
France	240,000
Canada	231,000
Sweden	119,000
Denmark	115,000
Spain	98,000
Norway	90,000
China	35,000
Belgium	26,000
Brazil	5,000
Portugal	5,000
Greece	1,500
Total	7,941,000

The preceding statement enables us to conclude that the universal maritime situation would specially improve, if the coal situation were to change in Great Britain and if the merchant fleet could again find there, at favorable rates, abundant return cargoes of coal indispensable to the importation of foodstuffs and raw materials. It must, however, be remembered that the domestic needs of coal by Great Britain are considerably greater than they were in 1913 owing to the construction of new war factories at that time, but now transformed and adapted to the normal demands of peace.

In France and Germany, on the other hand, the production of coal is still too small to permit of the production and exportation of steel and iron wares and of other manufactured articles, in quantities comparable to those of pre-war years.

The government and the industrial and commercial world of Great Britain are fully alive to the economic consequences of this situation, but the working class, badly advised by its leaders whose judgment is obscured by their passions, has not at present realized the dangers that result from limitation of effort and diminution of output and production.

But if we are not yet to expect a general improvement in this direction, other arrangements and decisions, if immediately carried out, might to a certain degree remedy the prolonged transportation crisis. I will only repeat what has been said in this report:

1. The delivery of English bunker coal to the maritime industries of different countries at the same price as to the English domestic industries, by the waiving of the fiscal advantages secured under the existing regulations.

2. The suppression of all obstacles causing delays in harbors and congestion in general.

3. The free disposal by commerce of the last enemy ships still tied up in harbors awaiting legal settlements, and the immediate repair of the damages suffered by these ships.

4. The resumption of the exportation of European manufactured goods would reduce the present disproportion between imports and exports. This resumption depends chiefly on the German coal production and supply; in other words, on the execution of the Treaty of Versailles.

Resolution Reported

The Committee on Resolutions reported to this session a resolution originating with the Committee on Shipping in regard to government and shipping, with

the recommendation that it be adopted in the following form:

CONSIDERING, that direct construction or direct operation of commercial vessels by any government is undesirable; and

CONSIDERING, that experience has demonstrated that such a policy leads to the construction of vessels which are not best suited for the particular trades for which they are to be used; and

BELIEVING, that a merchant marine constructed and operated under private initiative results in lower costs and more efficient service;

Now, therefore, be it

RESOLVED, That the International Chamber of Commerce recommend that all governments entirely abstain from operating any commercial vessel except for its own purposes;

That any commercial vessel now owned by a government should be disposed of or leased to private interests at the earliest time practicable; and

That the governments of Allied countries still owning merchant vessels should be requested, up to the time their mercantile fleets are discontrolled, to fully satisfy at reasonable rates the requirements of the Allied countries which suffered from the war, before offering any tonnage for full or part cargo to neutral or other countries.

Subsequent to careful consideration it was decided that the recommendation of the Committee on Resolutions be not accepted, and the resolution was then adopted in the form in which it was transmitted from the Committee on Shipping to the Committee on Resolutions, which was as follows:

CONSIDERING, that direct construction or direct operation of commercial vessels by any government is undesirable, and

CONSIDERING, that experience has demonstrated that such a policy leads to the construction of vessels which are not best suited for the particular trades for which they are to be used.

BELIEVING, that a merchant marine constructed and operated under private initiative results in lower costs and more efficient service;

RECOMMENDS, that all governments entirely abstain from directly constructing or operating any commercial vessels, for its own account or for the account of private firms.

"Also that any commercial vessel now owned by government should be disposed of to private interests at the earliest time practicable.

"That governments of Allied countries still owning merchant vessels should be requested, up to the time their mercantile fleet is discontrolled, to first fully satisfy the requirements of Allied countries who suffered from submarine war, at reasonable rates, before offering any tonnage to neutral or other countries."

In adopting the resolution in the above form the Chairman ruled that it was with the understanding that the resolution be referred back to the Committee on Resolutions to ascertain whether that committee had further objections to the resolution being finally adopted in the form in which it was received from the Committee on Shipping. The Committee on Resolutions having finally adjourned, no further action was taken on the above resolution.

The eighth session adjourned at 12.15 P. M., to reconvene at 2.30 P. M., Wednesday, June 30, 1920.

FINANCE

NINTH SESSION, WEDNESDAY AFTERNOON, JUNE 30,
1920—2.30 o'clock.

The meeting was called to order by Mr. A. J. Hobson, Chairman of the British Delegation, who presided at the ninth session. The special subject for consideration at this session was finance.

Next General Meeting

M. Etienne Clementel, of the French Delegation, advised the meeting that the Board of Directors had suggested that the next general meeting of the International Chamber of Commerce be held in London, England, during the year 1921, and further that the Board of Directors would at the proper time determine upon the exact dates, and the suggestion was concurred in.

M. Clementel expressed to the delegates representing the five countries participating in the organiza-

tion meeting his great appreciation of the honor conferred upon him by the Board of Directors in his election as President of the International Chamber of Commerce.

Resolutions Adopted

The Committee on Resolutions reported to this session four resolutions originating with the Committee on Finance, and on recommendation of the Committee on Resolutions each of the four resolutions was adopted. These resolutions (see Appendix B) were:

Resolution No. 17, regarding indemnities.

Resolution No. 18, regarding reconstruction.

Resolution No. 19, regarding exchange.

Resolution No. 20, regarding banking facilities.

The Committee on Resolutions presented to this session one resolution originating with the Committee on Raw Materials, and, on recommendation of the Committee on Resolutions, the resolution (see Appendix B) was adopted.

Resolution No. 21, regarding the reform of the calendar, proposed by Mr. Hobson, of the British Delegation, was considered, and without reference to the Committee on Resolutions was adopted. (See Appendix B.)

Resolutions Referred to the Board of Directors

The Committee on Resolutions reported to this session six resolutions, with the recommendation that they be referred to the Board of Directors for consideration, which recommendation was adopted. The resolutions (see Appendix B) were:

Resolution No. 22, regarding weights and measures.

Resolution No. 23, originating in the Committee on Production, Distribution and Unfair Competition, regarding statistics.

Resolution No. 24, originating in the Committee on

Production, Distribution and Unfair Competition, regarding production.

Resolution No. 25, originating in the Committee on Raw Materials, regarding a clearing house for the exchange of goods.

Resolution No. 26, originating in the Committee on Production, Distribution and Unfair Competition, regarding cooperation between capital and labor.

Resolution No. 27, originating in the Committee on Production, Distribution and Unfair Competition, regarding a statistical bureau.

It was unanimously voted that the delegates assembled in this, the organization meeting of the International Chamber of Commerce, representing Belgium, France, Great Britain, Italy and the United States, express to all speakers, officers, secretaries and others who assisted in the preparation for and the carrying to a successful conclusion of the organization meeting, their appreciation of the valuable services rendered in the organization of the International Chamber of Commerce.

M. William Thys on behalf of the Belgian Delegation, Dr. Walter Leaf on behalf of the British Delegation, and Mr. Fred I. Kent on behalf of the American Delegation, addressed the meeting on the subject of finance.

Address by M. William Thys

Member of the Belgian Delegation

We are just beginning to realize more fully the extent of the changes brought about by the war in the economic life of the nations. The eddies of that whirlpool which engulfed so many human lives, such untold wealth of every description, are felt not only by the belligerent countries, but also by neutrals who thought themselves safe.

We witness an entire reversal of the parts played by nations once reckoned among the great financial powers of the earth. Importing countries have joined the ranks of those that export, while debtor nations have become creditors.

No sooner do you come to look into the relative situation

of any country, than you are struck with the fact that the general opinion held of that country by foreigners crystallizes, as it were, in the rate of its exchange. It may be said, indeed, that any attempt to reckon the currencies of the several countries in order of value, as compared with the gold standard, leads to a classification coinciding, in many respects, with the degree of destitution or of prosperity to which those countries have been brought by the war. Right at the bottom of the ladder, we find the most seriously stricken, Russia and the Central Powers. Then follow those that are still weak, the new nations. Then come the convalescent, among which are Italy, France, Belgium and perhaps even England. At the top of the ladder are the strong, healthy states that the war has made rich, the neutrals and the United States. Nor is this parallel condition merely the result of coincidence. It shows that the rate of exchange is but a concrete expression of the general opinion held as to the future prospects of the various countries. As Luigi Luzzati so aptly puts it, "The exchange measures upon the scale of its infallible thermometer the progress of financial, as well as of moral, fevers."

Down to 1914 exchange was based chiefly upon the parity of gold. Its fluctuations obeyed the law of supply and demand. It was influenced by the crop prospects, by domestic or foreign loans, by fiscal or tariff measures, by wars and rumors of wars. It constituted essentially the relation between two currencies and for that reason the word "exchange" was, so to speak, a professional expression, the use of which was practically restricted to economists, or to a small circle of interested persons. Nowadays the same word has been granted its letters of naturalization in every sphere. Extolled as a panacea, or condemned as unmixed evil, exchange is analyzed, commented upon and discussed in the most unexpected quarters, even among people quite unversed in questions of economics. Our wives and daughters take an interest in it, and what is a yet greater novelty, we find our statesmen taking sides in the matter and priding themselves upon the authorship of all manners of schemes that are widely discussed in the public press.

The general interest taken in exchange is due to the fact that the whole world has realized the disaster resulting in certain countries from the depreciation of their money, while the tradesmen of these countries are constantly suffering from the effects of the instability of the various currencies.

The importer of foreign goods runs the risk of losing money should there be a rise in exchange before he has covered it, and it is the same thing if exchange happens to fall before he has

disposed of his goods. Again, if the importer lays in a stock of foreign money beforehand, he is involuntarily engaging in a speculation, while still remaining exposed to the risk of seeing a more fortunate competitor make his purchases at a more advantageous rate of exchange.

The calamity of throwing out of balance the currencies affects not only the countries whose exchange has become depreciated, but even those which the inflow of gold might well deceive as regards their future prospects.

Let us imagine for a moment that we are able to get about in some "Time Machine," such as that conceived by Wells, and that we can thus see what the condition of things will be a few years hence, say in the kingdom of New Phoenicia. That state, with its rich soil containing all necessary raw materials, enjoys in 1920, thanks to the war, a period of unparalleled prosperity; indeed, its exchange has reached such a high level that it can no longer export any goods whatever. But as the country is so fortunate as to be able to supply its own needs from an industrial point of view, it is satisfied with developing the agricultural wealth that is necessary for its subsistence. To make sure of being unaffected by alien competition, it has set up a formidable barrier in the shape of a customs tariff that protects it successfully against any dumping on the part of the foreigner. And as its power of production is all too great for its own needs, the factories that used to turn out the products intended for the export trade are all obliged to shut down. In 1925, extensive emigration is observed on the part of the working classes, no longer able to bear the burden either of the recurrent periods of unemployment that are forced upon them, or of the ever higher cost of living due to the lack of foreign competition. The wealthy classes, unable to obtain satisfactory returns for their capital solely from enterprises connected with the industrial and agricultural requirements of the country, invest the greater part of it abroad. Yet this exportation of capital has no appreciable effect on exchange, for it cannot counterbalance the inflow of the revenue on that capital, nor the repayment of the credits extended by New Phoenicia during the war. In 1935 the population consists mainly of capitalists living upon the income coming to them from their investments abroad. The "savants" and economists of New Phoenicia are loud in their praises of a civilization that has reduced the struggle for life to a minimum. The pious minded offer thanks to God that, because of the non-intervention of their country during the barbarous war of 1914, the whole world is now working and toiling for their benefit. In

1945 New Phoenicia has lost all interest in work of any sort. The arts themselves have lost their followers, because the country, being no longer used to effort, has become incapable of rising above a life of purely material pleasures. A collapse is imminent, for nothing is able to resist the disintegrating effects of a life of idleness led by a whole nation.

I must ask you to excuse me for indulging in such flights of fancy. My object was to remind you that, whatever its position, no country can remain unaffected when the whole world is out of joint.

Belgium is hard hit by the critical state of exchange. The pound sterling, which before the war stood at about par, round about 25 to 22½, is even now still quoted at about 45 francs. The depreciation of the Belgian franc in London is more than 80% after reaching at one time something like 150%. What justification, if any, can be given for this lack of regard for our country?

Certainly the effects of the war have been serious enough for Belgium. Her manufacturers, financiers and political leaders, who daily witness the strenuous efforts made for the reconstruction of the country, have wondered that a man of Mr. Keynes's ability has thought fit, in his famous book "The Economical Consequences of the Peace," to state that the Belgian losses have been exaggerated and that in reality the damage done to private property cannot exceed 1,250 million francs, while on the other hand, considering that the cost of reconstruction has increased to three times what it cost before the war, the maximum of the damages would be some 3,750 million francs. Edgar Crammond, too, in the interesting lecture delivered by him the other day before the Bankers' Institute, on the cost of the war to the different countries that took part in it, estimates that Belgium had lost, through the war, 10% of her national wealth. To attempt a denial of these figures would not be in keeping with the purpose of this meeting. I will merely observe that we should be only too happy if either of the above estimates represented the real extent of the damage inflicted upon our country.

How often have we met with foreigners full of sympathy for our country, who, after telling us of what they had seen in our industrial cities and also in the country districts, artlessly expressed their wonderment that the sufferings experienced during the war have left so few visible traces behind them. The desolation of certain places, the yet tottering ruins of the ravaged and plundered factories, were nothing as compared to what they had expected to see. What wonder, then, that

there should be so many preconceived ideas standing in the way of a just appreciation of our economic plight and therefore calculated to impede the improvement of our exchange? It is, indeed, patent to all that the psychological factor, the "factor of trust," plays an immense part in this respect. Have we not witnessed, indeed quite recently, both on the old continent and in the new, the powerful element of self suggestion bound up with what the newspapers called the "wave of falling prices?" I am not denying the material and tangible causes of the fall in prices, such as inflated stocks, the effects of speculation, the action of the banks, etc., but there is no denying that from the day when the press began devoting columns to this situation the "buyers' strike" was bound to come.

I have no hesitation in asserting that the critical condition of exchange in those countries which have suffered through the war is in great measure due to the lack of confidence on the part of the nations whose exchange is in a healthy condition. Let us interpret the known facts in the simplest language. Why does the American, for instance, abstain from buying Belgian francs? It is because he is in doubt. Were it possible to persuade him that in one year's time his dollar would merely represent 6 francs, that quotation would soon be reached. It behooves us, therefore, to enquire into what might remedy this momentary lack of confidence.

I hardly deem it necessary to dwell upon our situation in the matter of home or foreign policies. As regards the former, the political discussions inherent to every political regime are by no means calculated to jeopardize the economic position of our country. As regards our foreign policy, our situation is practically identical with that of our Allies, since Belgium, as you are aware, has abandoned a mythical state of neutrality to share in the ups and downs of the nations by whose side she made it a point of honor to take the field. From the social viewpoint, we have had, like other nations, a series of strikes, but let me hasten to add that the result of those strikes has even been the betterment of the material conditions of life and not the satisfaction of political aims. As to the possibility of a bolshevist movement in Belgium, I would tell you frankly we do not believe in it. Such tendencies will never disturb the well-balanced minds of our population, for whom the utopian views of Lenine have no attraction whatever.

Beside these moral factors, let us briefly review the economic situation of the country. Various estimates have been made regarding the public and private wealth of Belgium. In 1875 it was estimated at 30 billion francs. Mr. Wauvermans, a deputy

from Brussels who has specialized in economic and financial questions, estimated the wealth of Belgium in 1914 at 50 billion francs. Mr. Charles Clavier, the eminent director general of the Ministry of Finance, estimated it at that time to be 56 billion francs. According to Mr. Clavier, Belgian wealth averaged 7,247 francs per capita, which is about equal to that of England, while the Frenchman's wealth is estimated at 7,314 francs and the American's at 6,875 francs. These figures must, of course, be taken as approximate, as the bases of valuation are different in different countries. Mr. Wauvermans estimated the yearly revenue of the Belgian people in 1914 at 6 billion francs, whereas Mr. Clavier placed it at 5,857,000,000 francs on an average of 750 per capita.

It cannot be denied that our financial situation has deteriorated since 1914. Just before the war our public debt amounted to 5,000 million francs, a comparatively small total, particularly considering that the assets represented by our railways alone were close to 3,000 million francs.

Since that time, expenses directly or indirectly connected with the war, including the payment of reparations for war damages, have added 17 billion francs to the debit side of our account. It may be considered that with all the present charges on the budget, our public debt will, by the end of the financial year, reach a total of 30 to 32 billion francs. In other words, our debt has grown six time larger since the war broke out.

I can but express the hope that the Reparations Commission will have a clear vision of the full share of responsibility weighing upon Germany. That country will never be able to "repair," in the Wilsonian meaning of the word, the moral damages inflicted upon us by the iniquitous aggression of 1914 and the hardships resulting from the 52 months' occupation of our country. Harsh as the Germans are fond of making it out to be the Versailles treaty cannot give us compensation for the sacrifice of human lives, both in the field and as a consequence of want and destitution, for which those who violated the Belgian territory were responsible.

Let the Spa Conference realize our exact situation and let the Germans fulfill their obligations faithfully and our situation will be completely modified. As was observed by Mr. Houtart, who introduced the budget before the Belgian Chamber, we have three claims, the satisfaction of which would counterbalance a considerable proportion of our liabilities.

1. 6,100 million paper marks withdrawn from circulation and now the property of the state.
2. The right conceded to Belgium by the United States,

the British Empire, France and Italy to receive on account of the reparation indemnity to which she is entitled the equivalent of 2,500 million francs gold, to be deducted from the first payments actually received in cash from Germany.

3. The balance of the proportionate share assigned to Belgium out of the payment due from Germany.

The country quite understands that pending the settlement of these claims it must rely upon its own efforts to reestablish its financial balance. I am compelled to add that in this connection we have not yet gone very far. Our budgetary dispositions have been sharply criticized, but whatever may be thought of the matter, there can be no hesitation in agreeing with the following views set forth by the Minister of Finance regarding the general outlook in Belgium.

"The industrial and commercial revival which is becoming daily more and more marked and the reconstruction of the devastated areas will have a salutary effect upon the receipts from taxation. Large surpluses may be expected and the new fiscal system adopted by the country will enable the Belgian community to levy on a fair share of everybody's income to provide surely and more liberally for its existence. The government is resolved to spare no effort to attain that object. If an automatic increase in our receipts is, so to speak, assured, our expenses, on the other hand, will probably not keep at their present high level. They will be found to diminish in proportion as prices become more normal and as there occurs an easing off in the strain of the exchanges, the exceptionally high rate of which reacts most adversely upon our financial situation. None the less is it highly imperative to practice the strictest economy in the administration of the country."

That spirit of economy has not yet been exhibited to a sufficient degree, and, on the other hand, certain practical difficulties have stood in the way of the application of the new taxes that were to have superseded the old rates.

We trust that our financial policy will be largely inspired by that of England. You will recall that barely two weeks ago the chancellor of the exchequer was able to boast in the House of Commons that the rapid improvement in the economic conditions of the country was due to the method of taxing the fortunes, adding that the foreign nations who are jealous of England's prosperity and are clamoring for more extensive assistance from her are apt to forget that British prosperity is the result of the huge sacrifices the British taxpayer has imposed upon himself, and that to a great extent the improvement in the exchanges is due to the fact that England has bravely set about paying off some of the debts she had contracted abroad during the war.

True, indeed, England is in a far stronger position than we are. She has, in the first place, the advantage of being less exposed to the effects of the situation in Germany. You will have noticed that the German financial press has often taken a malicious pleasure (*Schadenfreude*, the Germans call it) in pointing out the parallel fluctuations in the value of the mark and of the franc. There is certainly nothing to surprise us in the fact that Belgium, the creditor country, should be affected by the ups and downs of her debtor, Germany. But it is precisely the involuntary community of interests that may well be a matter of concern to us when we come to consider the present financial administration of Germany. You are aware of the inflation of the fiduciary currency of the Reich; whereas it amounted to no more than $2\frac{1}{2}$ billion marks before the war, it now exceeds 61 billion marks. From the beginning of May to the beginning of the present month (June) the increase has been 1 billion marks. The gold reserve fell from 1,696 million marks, at which it stood in 1914, to 1,365 millions. The silver reserve, since the government officially recognized the depreciation of its paper money by redeeming the silver marks at the price of 7 paper marks, has fallen from 418 million marks, in July, 1914, to 4 million today. The German Minister of Labor has himself admitted that the purchasing power of the mark is now but two-fifths of what it was before the war.

Germany is making no effort whatever to restrict her inflated currency. She is content to place the blame on the Allies. All this, she maintains, is because the latter demand the delivery, under the Treaty of Versailles, of raw materials and finished products which the German government has been obliged to pay for, thus obliging it to create an endless stream of money to cover their value. This nerveless attitude of Germany, strange to say, leads one to wonder whether it is not the carrying out of a considered plan the two chief stages of which would be, first, an intense propaganda in favor of the exportation of marks, then a declaration of bankruptcy leading up to a demand to be freed from her obligations under the Treaty of Versailles, a demand that would be backed up by the foreign holders of German marks. There is no doubt that Herr von Gwinner, director of the Deutsche Bank, a man considered in Germany as being a financial authority, had this in view when he declared: "Germany is on the verge of bankruptcy in which France and Europe will certainly be involved."

Whether that bankruptcy is really to be expected or whether it is only to be considered as a means of blackmail, we know not, but you fully realize, gentlemen, the dangers involved in the

present situation by which we are all threatened. It is to be desired that the members of the International Chamber of Commerce shall, with the assistance of the neutral countries, consider the measures to be adopted. Recourse to some sort of sanitary barrier may be held advisable, perhaps, in the prohibition of not only the issuance of marks but of all and every speculation in German currency that is not based at least on some commercial operation. Germany would thus be given an opportunity to show how far she is ready and willing to cooperate genuinely with the rest of the nations, by declaring herself prepared to follow them in the path of an honest financial policy. The first manifestation of this would be the suppression of the money press. Once that was done she would not only have taken a great step in the direction of her own recovery, but she would have contributed to improve the situation of every country that remains permanently in contact with her. Personally, confronted as we are with practically the total loss of the value of the mark, I must confess that I should prefer to see the mark consolidated, for instance, at 30 centimes, rather than to have it cling to a fictitious value of 1.25 francs based upon more or less uncertain future prospects.

I must apologize for speaking at such length of Germany, yet I do not look upon the remarks I have thought it incumbent upon me to make about her as a digression. How, indeed, would it have been possible to consider the problem of the Belgian exchange without taking into account a factor of such paramount importance in our economic life?

I have purposely begun by showing you the dark sides of the picture before I pass on to the consideration of those elements in our situation that we think we are justified in looking upon as wholly reassuring. I have already mentioned the hard-working qualities of our people, whether of the agricultural or of the industrial classes, a racial trait that ensures for our country the most favorable prospects to a rapid recovery.

From an industrial point of view, it is the iron and steel industry that has suffered the most grievously from the war, in consequence of the systematic destruction our factories have undergone. We cannot blink the fact that the reconstruction and putting into working order of many of our factories will take some time yet. However, the situation improves from month to month. In April last, for instance, the percentage of production registered was 61% of finished iron, and 52% of finished steel, as compared with the corresponding month in 1913.

The output of our coal fields is really satisfactory. Since

April, 1920, the production has been 99.45% of that in April, 1913. Our glass works are just now in a particularly excellent condition. Belgian artificial silk is fast regaining the privileged place it enjoyed before the war.

It would take up too much time were I to describe to you the condition of the principal Belgian industries, such as the cotton, wool, and brick industries, to say nothing of the new fields of industrial activity that have been developed. This resumption of the economic activities of the country has been greatly facilitated by the rapidity with which the railway lines, roads and waterways have again been made available for traffic.

Special mention should be made of the Belgian Congo, which rises more and more as an unrivalled source of wealth for the country. The Katanga copper mines have already exported 23,000 tons in the course of a single year and those concerned are of opinion that in course of time the Katanga mines will rank among the chief copper-producing centers in the world. In twelve months more than 3,400 kilos of gold have been produced in the Congo. This year the gold output is expected to be between 8 and 9 tons. The production of diamonds will amount to 50 million francs. Our colony has intensified the production of palm oil, of rubber and of cocoa. Attempts have been made to grow coffee and sugar cane. Cotton has also been planted, in the hope that some day it will be possible to supply the Ghent cotton mills from the Congo plantations.

These very brief references will enable you, gentlemen, to understand why it is that, confronted with these promising elements of prosperity, our bankers and economists are agreed in considering that the depreciation of the Belgian franc by no means corresponds with our economic situation.

This serious problem of the betterment of our exchange has given rise to much argument and to many discussions regarding the remedies to be applied. I will first mention those which, though practicable in other countries, cannot be employed in Belgium. The first remedy, the exportation of gold, cannot be thought of in our country. The few hundred million francs of gold in our possession would soon be exhausted, without producing any lasting effect. While the yellow metal was being exported, our exchange would stand higher, but as that period would be too short to enable us sufficiently to build up our export trade again, we would soon fall back into the same lamentable position, the only tangible result obtained being that we should have stripped ourselves for a very long time of our metallic reserve. Remember, also, the somewhat chilly reception accorded in Europe to the proposal of Mr. Carter

Glass, the Secretary of the Treasury of the United States, to reestablish in the United States the free exportation of gold as against our depreciated European currencies.

A requisition of foreign stocks and shares for the benefit of the state, as practised during the war in England and in France, would not be practicable in Belgium, as many people have sold of their own accord most of the foreign stocks they held in spite of the fall in market quotations, leaving their owners a substantial margin of profit on account of the high rate of exchange.

The raising of the bank rate by the Banque Nationale de Belgique would prove a very unsatisfactory means of keeping within our boundaries or of enticing back to our country the requisite amount of foreign capital to bring about a betterment of exchange. The high discount rate that now obtains abroad precludes our National Bank from starting a competition that could only prove ruinous to our trade. On the other hand, with the present fluctuations of exchange it can hardly be expected that foreign banks will take up many Belgian commercial bills, seeing that the present unstable conditions offer too much risk of depreciation by maturity.

Some of our newspapers have lately counselled the introduction into Belgium of a method now applied in Germany, which consists in increasing the export prices according to the destination of the exported article. In my opinion, this method of readjusting the exchange is a procedure which remains to be proved. Moreover, it is foreign to the Belgian temperament, which is opposed as a matter of principle to every description of government interference, as was shown by the storm of protest and recrimination raised by the famous licensing system. I will do no more than mention the proposal that we should ask the foreigner to pay the tariff duties in gold, which would inevitably lead to perfectly fair reprisals on his part.

I am of the opinion, however, that promising as it is, sufficient advantage has not been taken of the suggestion to have recourse to propaganda for the purpose of attracting foreign capital in the shape of investments in Belgian securities. I consider, indeed, that the purchases of Belgian stocks hitherto effected have been less extensive than people are apt to believe. Perhaps our propaganda work has not been sufficiently energetic and persistent. Perhaps our failure to succeed should be ascribed to the fact that with us, as with so many countries having depreciated currency, the capitalization rate of sound securities is comparatively low, more particularly as compared with that of similar stocks in America and in England. Furthermore, the foreign financial institutions know very little

about our securities, so that they are hardly in a position to recommend that their clients invest in Belgian stock.

Government interference, in any shape or form, I must place among the "ineffectual nostrums."

The state weighs quite heavily enough upon the firmness of our currency through the operations of the Ministry of Supplies, whose settlements are not always effected at a satisfactory rate of exchange. As regards rules and regulations, the government have issued a number of decrees with regard to the exportation of capital. Our legislation is in many respects similar to the French legislation. Among other restrictive laws may be mentioned, for instance, that prohibiting the sending abroad of money in the shape of drafts, banknotes, securities and coupons except in payment for debts incurred or goods delivered. The sale of stock purchased by foreigners before the war was permitted only on condition the proceeds be reinvested in other Belgian securities. The government has also made it its business to establish a control over the operations of all money brokers. This control has met with little favor, for the vexatious methods employed can certainly have but a very small effect in improving the rate of exchange.

I may as well declare to you also that I am not at all in favor of state interference in this matter of the exportation of capital. I look upon Belgian public opinion as sufficiently enlightened that it does not need such tutelage. Again, I am of the opinion that the investment of capital in foreign enterprises, even during the present crisis, can only be to the benefit of the country by securing for it both future revenue and an influence the moral and material effects of which it is impossible to estimate.

Among the resolutions adopted in May last by the International Parliamentary Conference was one advocating a curtailment of public expenditure. When speaking of the budget, I make no secret to the fact that much remains to be done in that line. It is an ungrateful task in the presence of the ever increasing violence of the tide of expenditure. The burden of the public debt grows heavier and heavier. Belgium has been compelled, up to a certain point, to become Germany's banker by providing the necessary advances to allow of the reconstruction of the devastated areas and of the payment of the pensions to the fighting men and other victims of the great war. Furthermore, the high cost of living has led the officials of the various government departments to apply for increases of salary that weigh heavily upon the budget. There is, however, in the House, no lack of deputies who are aware of the necessity of cutting down public expenditures. As for private

expenditures, it must not be forgotten that in this respect the taxes may serve, up to a certain point, as a regulator. The toll levied upon wealth, in the shape of taxes, necessarily leads to restricted expenditure on articles de luxe and thus favors the elimination of certain expensive importations.

We now come to a problem the resolution of which is of interest, not only to Belgium, but to all the nations which took part in the war. I allude to the inflation of the currency.

You have seen the figures by Mr. Austin, statistician of the National City Bank of New York. Without taking into account the paper money printed by the Soviets, the circulation of paper money in the world at large increased from 7,000 million dollars in July, 1914, to 40,000 million at the time of the armistice. It has now reached the fabulous total of 56,000 million dollars. The paper money issued since November, 1918, therefore equals about one-half of the paper issued during the whole of the war. On the other hand, the world's stock of gold has increased by but 2,000 million dollars since 1913, so that the proportion of gold as compared with the paper money in circulation has fallen from 70% to barely 12%.

In Belgium, likewise, there is inflation of the currency, which has increased from about 1,000 million francs before the war to about five times that amount. But in considering these figures, we must not forget that the greater part of the increase is due to the fact that it was necessary to substitute Belgian notes for the marks with which Germany had flooded the country in payment for their requisitions. One of the guarantees of the present currency is constituted, as I have already explained, by the 6,000 million paper marks withdrawn from circulation, which Germany has pledged herself to redeem at the rate of 1.25 francs per mark.

Moreover, even in present conditions, I can see no reason for taking a gloomy view of the situation. Monetary inflation facilitates business to a certain extent, and only becomes a real danger when the relative proportion of paper money issued in the country exceeds that of the other nations. The most harmful effect of the inflation of currency is, however, the upsetting of the commercial balance which it never fails to produce. In proportion as that inflation causes prices to soar within the country, if the exchange is not affected there is an immediate increase to be observed in foreign imports, greatly to the detriment of the national production. On the other hand, when there is a proportionate adjustment of the rate of exchange, the foreigner finds no advantage in purchasing the products of the country, because of the prohibitive prices charged for them.

Deflation, in consequence of the indirect character of its action, cannot of itself constitute a remedy. Of this fact we had a striking illustration when the government announced their intention to apply part of the proceeds of the last loan to a withdrawal of banknotes. By a strange coincidence it was just at that time that a further fall occurred in the rate of our exchange.

The preponderant factor in the eventual improvement of our exchange is the reestablishment of our commercial balance. In 1913 our import trade stood at 5,049 million francs and our export trade at 3,715 million. There was a surplus of imports amounting to 1,334 million francs. This difference, due to the fact that Belgium is obliged to import a considerable part of the food she consumes, was amply compensated by the proceeds from our "invisible" exports, that is to say, by the revenue accruing from Belgian capital invested abroad.

The above figures serve to illustrate the full extent of the distance to be covered before we return to our former economic balance. It is a pleasure, however, to observe that our commercial balance is improving day by day. In 1919 our import trade stood at 5,057 million francs, our export trade at 2,297 millions, leaving an adverse balance of 2,778 million francs. During the present year the result exceeds all we thought ourselves entitled to hope for, when we consider the rate at which our reconstruction is now proceeding. Thus, for the first four months of the year we find total imports of 3,707 million francs and total exports of 2,496 million francs, an advance for the corresponding period in 1919 of 80% in import trade and over 97% in export trade. This balance sheet is particularly interesting if we take into account the fact that our imports include but 13% of manufactured products, while manufactures constitute 30% of our exports. These figures are of a character to make us optimistic regarding our commercial future.

Having had to procure from abroad raw materials intended for manufacture as well as those indispensable for the reconstruction of our factories, we have had to consider the question of procuring credits abroad. Such credits present the great advantage of not being debts the payment of which can be claimed immediately, and so momentarily they have no direct effect upon our exchange. A considerable proportion of these credits were secured for Belgium through the assistance of the Belgian banks.

You will recall, gentlemen, the memorial drawn up by American bankers and others, to be handed to the various governments asking them to summon an international confer-

ence that should devote its labors to the restoration of the financial health of the world. It contained the following passage:

"Long foreign credits, such as are contemplated here, are desirable only in so far that they are absolutely necessary to reconstitute the means of production. Such credits must not take the place of the efforts and sacrifices each country is called upon to make and which alone will enable it to solve its own particular problems. It is only by surmounting actual economic conditions, weighing heavily, as it should, upon each individual citizen, that a proper balance can be restored."

We have given much thought to this passage, and we may pride ourselves upon the fact that we have made some slight progress towards carrying out the program of action it suggests. It remains for the countries with a high rate of exchange to do their duty.

That duty, gentlemen, should be clearly defined, and in this connection it behooves us to remember the statement made by Mr. Vanderlip of the loans floated last year in the United States, both by foreign governments and provinces and municipal bodies. The sum total of these loans was close upon 510 million dollars. I make a point of quoting this figure if only to remind people generally that the United States are still tendering to Europe constant assistance. I consider I am doing useful work in pointing out to the American and English members that in the case of countries with a depreciated currency, salvation must be looked for, not so much from credits extended to governments or municipal bodies, as from credits extended to commercial and industrial groups.

The present is neither the time nor the place to criticize the use to which the several governments put the credits extended them from abroad, but you will all agree with me in recognizing the fact that in every country in the world, without exception, the state is a poor manufacturer and a despicable tradesman. Nor can it be expected to be otherwise, because it has no sense of commercial responsibility. The assistance tendered to countries that are in the same situation as Belgium should be restricted almost entirely to private enterprises.

Another duty devolves upon countries with a favorable rate of exchange. The credits extended by them should not constitute a means for the purchase of finished or de luxe products. It is doing the exhausted countries an injury to extend to them credits for the purpose of allowing them to defer the payment of any but indispensable goods, either in the way of foodstuffs, renewing their plants, purchasing a supply of raw materials, or other means of producing new wealth.

You will kindly excuse the bold simile in which I am about

to indulge, but it seems to me that countries which extend credits for purposes that are not indispensable are somewhat like those charitable individuals who are too free with their assistance to young scions of nobility, in lending them the wherewithal to continue to lead a life, not only above their present means, but above the resources they may possess later on, thus hastening the consummation of their ruin.

The International Chamber of Commerce is in a position to play an eminently useful part in all these spheres. By reason of its composition, it is well able to examine thoroughly into the situation of each and every country; to ascertain how far the nations applying for credits are worthy of receiving them; to enquire into the use to which such credits are intended to be put; in short, to hasten the carrying out of the purposes of your assembly.

This task of contributing to restore the world's economic balance does not exceed the strength of the International Chamber of Commerce. It will afford every country the possibility of exhibiting its vital power, and in this respect I can but rejoice in the fact for the sake of Belgium.

My country has no dearer wish than to show in the open light that it fully deserves the trust and confidence of all the nations that appreciate the cults of honor and labor.

Address by Dr. Walter Leaf

Member of the British Delegation

Our president has charged me with the task of presenting to you a brief statement of the present financial position in Great Britain as it presents itself to British bankers.

Great Britain since the armistice has played the part of intermediary, as her geographical position indicates, between the Continent and the United States. Great Britain has been under a double disadvantage in this respect; she is both a creditor and a debtor nation,—creditor towards the Continent, debtor towards the United States. She suffers the disadvantage of both positions, and I am not sure that in a way the position of creditor towards the Allies to whom she is so deeply indebted for the incomparable sacrifices they have made during the war may not be the more unwelcome both morally and financially. This double position reflects itself in the state of our exchanges. We have exchanges unfavorable on the one side and unduly favorable on the other. Some of our American friends, I hear, have expressed the opinion that Great Britain, if not actually causing, at least views with equanimity the unfavorable rate of the New York exchange, on the ground that Great Britain

desires to restrict imports. I trust that so absurd a view is not seriously held in America. No doubt it has been our desire to restrict imports of mere articles of luxury, but surely it must be evident that we shall not, in order to deny ourselves such luxuries as Ford cars, hamper our vital industries, nay the very life of our people, by artificially raising the prices of such articles of prime importance as wheat and cotton. On the other hand, we have the exchanges in our favor with all the other Allied nations. This means that our exports of manufactured articles, on which we depend mainly for the recovery of our pre-war position, are seriously hampered, if not entirely stopped. We thus get the worst of both worlds and to no nation more than Great Britain is the equilibrium of the exchanges so vital a matter.

The position changes from day to day, what one might say at the end of June is different from what one would have said at the end of May. The position in the last four weeks has rapidly developed. Mr. Booth on Monday told us of the acute crisis through which the American market has been passing. We have had a similar crisis in London, though so far it has been less acute. We have witnessed a serious fall in the prices of many raw materials of prime importance. The result has been a necessary curtailment of credit, and the collapse of many speculative engagements involving serious individual losses. The fall of prices has been considerable in such commodities as non-ferrous metals, cotton, wool, leather, silk and some classes of foodstuffs. But so far the position has been met without any serious dislocation of credit, and it would seem that the process, though not altogether pleasant, has been entirely salutary. Speculative engagements are very largely reduced and there has been no sign of anything like a panic.

We have, then, to recognize the possibility that we may have to face a general fall in prices in the near future. The situation is one which requires the utmost wariness. The reduction of prices is absolutely necessary. Hitherto it has been limited and well under control; it is a crisis but not a panic. When I use the word crisis I am speaking rather of the sense in which we talk of the crisis of a fever, the moment which heralds convalescence. It is a moment of weakness and anxiety, but it is a necessary prelude to recovery.

The immediate task before us, if I may change the metaphor, is to see that the brakes are properly put on so that our progress downhill may be well held and kept within due speed limits. We shall have heavy losses to face; but we may feel with a certain satisfaction that they will fall to a large extent on those who are best able to bear them, those who have made

abnormal profits during the years when prices seemed to be soaring without limits. It has been the task of bankers in the last few weeks, while restricting credits in all cases where they appear to be required for speculative purposes, to offer them liberally wherever they were asked for the legitimate needs of commerce and industry. The task has been a difficult one, and no doubt many mistakes have been made; but on the whole I believe we have good reason to be satisfied with the result.

The fall in the prices of raw materials should in due time show itself in the reduction of the cost of many articles of common use which contributes so materially to the high cost of living. The fall, however, is likely to be gradual. It will be masked in the first place by the enhanced wages, which apply at each stage to the conversion of the raw material into a finished commodity; and it will be further masked, I fear, by the increase in the excess-profits duty, which is in the same way passed on from stage to stage. If, therefore, we had to look to the diminished price of raw materials only, it might be long before any reduction of the cost of living could materially relieve the situation. On the other hand, we see signs that the consumer is beginning to take his part by refusing purchases at prices which he feels to be excessive; and it is perhaps probable that the retail shops, which are in many cases filled with stocks bought on too sanguine a basis, will be forced by public opinion to sacrifice a good deal for the general benefit. We already hear of "*la vague de baisse*" in France, and there are signs that the same movement is extending to London.

A crisis such as that which we have before us is a healing process, a natural growth. It tends to direct our energies into two main streams, firstly, to economy in production, and, secondly, into efforts to extend markets. Both of these are necessary conditions for economic development. The incentives to them have been entirely lacking since the armistice, when demand seemed unlimited and prices out of all proportion to the cost of production could easily be obtained. Now that a turning point seems to be within sight, our first thought must once more be to reduce alike the cost of production and cost of distribution. This means, in fact, an organization on ever better and better lines of our manufactures and commerce, a resumption of normal development after the interruption of the war. It is to the stimulus of such recurrent crises that we owe each successive step in social growth.

Into the very important question of further economy in production it is not for me to enter here. The problems of economy in coal consumption, hydro-electric systems and the

like, are beyond my range. But of the extension of markets I should like to say a few words.

For importers as well as for exporters this extension is a matter of vital interest. The fall in prices is largely due not to lack of demand, but to the impossibility of securing proper distribution throughout the world; and more particularly between the Allied countries on the one hand, and on the other hand that vast region which lies eastward of the Rhine to the extremity of Siberia. While these great areas, though not altogether excluded from general commerce, are at least gravely hampered in all trade relations, it is idle for any of our countries to look for a return to the healthy conditions of pre-war days.

Defective distribution is the fundamental cause of the instability of the exchanges from which we are all suffering. Monetary conditions must be unstable unless they are founded on a solid basis of interchange of goods. It is tragic to think that at the present moment, while large areas in Central Europe are starving, there should be in the warehouses of England, Holland and the United States a glut of certain classes of foodstuffs of general value. The consequent fall in the price of these goods has contributed not a little to the general tension of the situation. The most vital problem of the moment is the reestablishment of the machinery of commerce, the actual barter of commodities, which will find its expression in the natural as opposed to an artificial stability of the exchanges.

The problem is largely one of international credit. Let me give you a concrete typical instance which is causing difficulty at the present moment. The British government holds a large stock of certain manufactured goods which they are anxious to sell abroad. It is plain that if these goods were suddenly placed on the home markets they would create a most serious dislocation in the trade concerned. On the other hand the German government is anxious to buy; but they can offer only a small payment in cash, and for the rest they ask a credit reaching by instalments up to three years. It is certain that such bills dependent solely on the credit of the German government could not at present be negotiated through the ordinary channels of a London market to anything like the amount required. Yet the goods, finished articles, are needed by Germany for the immediate bodily necessities of their people, and could not be used for any competition in world trade.

From the most selfish point of view, the transaction is one which is desirable; but there is at present no means by which the exchange can be effected through existing channels. The same applies to every country in Central Europe,—to Poland,

to Serbia, and to starving Austria. The magnitude of the problem is outside the power of individuals to deal with. The difficulty is, in fact, that which was urged by statesmen and bankers from many countries in a memorial which they presented to their respective governments in February last. The outcome of this memorial has been a conference called by all the chief governments, which is shortly to meet at Brussels. Their discussions must necessarily all center upon the establishment of some sort of international machinery fitted to deal with a problem whose vastness overshadows the whole commerce and industry of the world. We may assure the conference of our sympathy and good wishes in its gigantic task.

Let us urge it upon you, gentlemen, that the problem of interchange and trade with Central Europe cannot be regarded purely from one side. It is of course primarily in our own interests,—and I include all the Allied nations,—that a market should be found for all goods of which there is at the moment a surplus in sight; but we have larger interests than that. It is not merely a question of possible political unrest, though that must by no means be forgotten. But there are further dangers. The conditions of starvation in Central Europe are setting up a focus of disease, of tuberculosis and typhus, which may easily spread beyond control, a cancer eating into the very heart of our world system. The danger is a real and urgent one; it is our duty to meet it with liberal and long-sighted views of what is our own ultimate interest. We cannot afford to let Central Europe starve; to do so would be the suicide of civilization.

With all these difficulties around us we must be content to bear for the present the enormous burden of taxation from which every Allied country is now suffering. We recognize with admiration the efforts which the enlightened administrations of France, Italy and Belgium are making to establish a financial equilibrium. In England we are doing our part; but it is, I believe, the general opinion of English bankers that any steps towards the reduction of debt must be very cautiously made, so that deflation may not restrict the resources available for industry and commerce. In our opinion credit facilities for reconstruction must take the first place before we can venture to reduce our own debt by any rapid steps or to any large extent.

May I add that we are conscious of the load which our Allies on the Continent have to bear in respect of monies borrowed by them from Great Britain and the United States. We feel that this is in itself a serious obstacle to the reestablishment of international exchanges and commerce. May we assure the conference that any method by which this load could be

postponed or lightened would receive sympathetic consideration among many thinking men on our side of the Channel, even if it should entail some sacrifice on our part?

Let us in conclusion offer our friends and colleagues in the conference an expression of our warmest thanks for this opportunity for an exchange of ideas and for the promise of future cooperation in the common cause of humanity. It is more necessary than ever at this moment that the bonds of the Entente should be closely drawn, and that in the face of our enemies we should sink all minor differences and present an united front. It is by personal intercourse and by recognition of our common aims and ideals that we can best hope to avoid the interference of private interests and shortsighted views which may create divisions, and so play the game of hostile interests. The hope of Europe lies in international cooperation in finance as well as in politics. The establishment of an International Chamber of Commerce is the great step towards such cooperation and I should like to assure all those who are present that the sentiment of England is heartily in their support. We shall work for it in London as we are working for it to-day in Paris. The economic position of Great Britain is sound beyond all question; it will be our pride to render any assistance which is in our power towards paying back to our Allies what they did for us during the war. May we all march forward together side by side with hearts united in devotion for the common cause of the victorious Allied powers, the common cause of humanity and civilization, towards a future where no limit is to be set to the prosperity and happiness of mankind.

Address by Mr. Fred I. Kent

Member of the American Delegation

The signing of the armistice found the United States of America in what was probably the best financial condition of any country of the world at that time. There was over three billion dollars in gold in the country and there was an outstanding circulation of \$2,562,517,000 in Federal Reserve notes, \$721,879,473 in national bank notes, and \$346,681,016 in United States notes. National bank deposits were \$10,437,443,000. The reserve of the Federal Reserve banks held against outstanding circulation and deposits was 49.9%. The United States Treasury Department, which had been authorized by Congress to make loans to Allied nations up to \$10,000,000,000, had made actual payments of \$7,077,114,750. The United States government had borrowed of its people \$22,224,238,300 through Liberty Loans and had a floating indebtedness of \$1,208,000,000.

As between itself and the world the United States had turned from a debtor nation into a creditor nation during the war. In part this development has occurred previous to the time that the United States entered the war and resulted from payments made to it by foreign nations, principally the Allies, which had been evidenced in the return of foreign-held American securities and later to the furnishing of loans by the United States to foreign countries.

There was a tremendous surplus of foodstuffs and the manufacturing production of the country was enormous, although in considerable part for war purposes. This situation in a general and undefined way being known to the nations of Europe, which were themselves in a most chaotic condition both as to finances and production, it was quite natural that European peoples should begin to express themselves through their press and otherwise as believing that America, having profited largely by the war in a monetary way, should now come to the aid of Europe and reestablish it economically. If the war had not left the minds of the people of the entire world in such a state of delirium that they were subject to the influence of those who hoped to profit by adding to the already chaotic conditions, thus enabling false propaganda to take a vast hold on their mentality, and if governments themselves had not in many instances been permeated with forces carrying anarchistic tendencies, the position of the United States was such that it undoubtedly could have accomplished much of what was expected from it and far more than it was able to accomplish. Unfortunately, such help as the United States actually did extend was to a considerable extent wasted because of the chaos which prevailed in European countries. Criticism for a time seemed to fall upon the United States from all quarters of Europe because it did not restore order with the wealth which it was supposed to have quickly acquired. It did not seem to be realized in Europe that no amount of wealth spent upon it would cure its difficulties until the general unrest subsided and its people returned to work and to orderly living. Again, it has not been generally appreciated in Europe what the United States has actually done to aid European reconstruction.

What are the facts?

While at the time of the armistice the United States Treasury could have consistently refused to have made any further advances to the Allies from the funds authorized by Congress, with the exception of such amounts as had been allotted, nevertheless it continued to make payments to the Allied nations up to an amount in excess of \$2,000,000,000. Loans to European countries have been made through Ameri-

can bankers since the armistice amounting to something over \$500,000,000, and unknown millions which run into very large figures have been transferred by individuals for the purpose of investment in Europe. Further millions have been given outright by the American people to aid those in Europe in need of relief. In addition to these sums the United States War department has taken the obligation of European governments for over \$100,000,000 worth of supplies of various kinds needed by such governments for reconstruction purposes. The value to Europe of these particular transactions is shown in the fact that the War department delivered locomotives and rails, a tremendous amount of machine tools, various textiles, and many foods from the supplies which it had accumulated for the purposes of war.

The American Relief Association began supplying food soon after the armistice to the central and eastern countries of Europe, except Russia, in quantities hardly believable, and accepted foreign government obligations in part payment therefor amounting to another one hundred million. The American Red Cross has never stopped its stream of supplies from America to Europe to take care of relief work pertinent to its organization, and the value of such shipments since the armistice is \$60,000,000. Since January 1, 1920, the United States has arranged for the delivery of 5,000,000 barrels, plus 35,000 tons of flour against foreign government obligations of \$60,375,000. Further advances of supplies by the United States War department have been made to the amount of \$50,000,000. The United States Shipping Board has accepted obligations for shipping furnished to carry War department and food supplies to a total of \$3,580,000.

Without including any of these items where we have not the exact figures, even though it is known that the totals run into millions of dollars, a statement of advances made by the United States to European countries reads as follows:

From the armistice to January, 1920.

Treasury advances	\$2,380,891,000
Funds made available to European governments by the purchase of their currencies to cover expenditures in Europe	736,481,000
Sale of supplies on credit	685,000,000
Relief (approximate)	100,000,000
Accrual of unpaid interest to January 1, 1920 ..	324,211,000
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Total	\$4,226,583,000

Advances arranged during 1920.

United States Grain Corporation	\$60,375,000
United States War department, supplies on credit	50,000,000
United States Shipping Board	3,580,000

Total \$113,955,000

Advances through distribution of securities by

American banks	\$500,000,000
American Red Cross	60,000,000

Total \$4,900,538,000

This is a grand total of nearly five billion dollars, which is four times the amount of the public debt of the United States before the war and is somewhat in excess of the pre-war debt of Great Britain and Germany combined. If the United States government had made no further advances to European countries after the armistice, the Victory Liberty Loan of 1919, to which the people of the United States subscribed \$5,249,908,300, need not have been placed. In other words, after the pressure of war was over the people of the United States paid into their government over \$5,000,000,000, of which \$4,500,000,000 was required because of money advanced for the benefit of Europe. These figures are not brought together for the purpose of claiming any special credit for America but merely that she may be better understood.

If, while these operations were being carried on, orderly government could have prevailed throughout Europe and all labor had returned to work promptly wherever possible, much greater progress could have been made toward financial and economic reconstruction. However, the suffering of European peoples had been so great and their condition was so difficult that, combined with the great degeneration of body that had taken place because of privations and which was reflected in the mentality of the people, the professional agitator, ignorant and otherwise, naturally found a tremendous importance attached to his statements regardless of their falsity. As a result, instead of all means of production and channels of trade having been restored as rapidly as conditions made possible, they have met with greater interruption since the armistice than was true during the war. No one can estimate the tremendous difference that would exist at present in the cost of living and in the conditions of the peoples of Europe if all the millions of hours of labor which have been lost through strikes and sabotage could be restored. True, America has felt the force of this situation even as has Europe. It has come about there

through the spreading of the propaganda which was largely started in Central and Eastern Europe. As a consequence, prices are not only higher in America than anywhere else, but they are far higher than would have been true if orderly production had continued. The general result to the world has been that a large part of the proceeds of such credits as have been extended has been wasted, as those receiving them have not been able to use them economically and later generations will be obliged to pay such loans with a far greater quantity of production than present generations have received, and all out of proportion to the ordinary price fluctuations which normally take place and which one must expect to meet when borrowing today and paying in the future.

There is no question but that the immense quantity of food-stuffs which was shipped from America after the armistice contributed somewhat to the lack of willingness to work on the part of many people. It might have been wiser to have sent enough food to sustain life in starving districts, together with sufficient raw material of the kind required to enable the people to have earned and paid for further food. In this manner industry would have been fostered and some of the bad mental effects induced by the war might have been overcome more quickly. The heart of America, however, was so touched that instead of stopping to figure out this situation it threw its food supplies to the starving nations as rapidly as ships could carry them.

America has been criticised by people of many European nations as having been a war profiteer. This is unjust and unwarranted, but possibly a natural thought nevertheless. All who supplied the wants of others in every nation of the world during the war period of necessity made money profits almost without the use of any sort of judgment in their operations, as they were buying supplies for future sale on a rising market. As a result, today every country abounds in the "nouveaux riches," the majority of whom have not of necessity become so through unfair exploitation. There are, of course, those who have abused the opportunities for profit offered, but they can be found in every country. Before the United States entered the war its people, because of high prices paid for prompt delivery, made unusual profits when supplying Allied wants. Since the United States entered the war our government has had to borrow over \$25,000,000,000 from its people, who promptly responded to every call made upon them even though through the depreciation in the price of such securities they had met with huge losses. Again, since entering the war the United States Treasury has never once hesitated

either to loan its Allies what was necessary to pay for their requirements or to undertake any expense that would seemingly aid in bringing victory to the Allies.

Today the United States finds itself in this position. It is buying more from South America and the Far East than it is selling. It is selling more to Europe than it is buying, largely because Europe cannot produce an equivalent, and it is unable to use its European credits to pay its South American and Far Eastern debits. Being the only free gold market in the world, as a result it has been shipping more gold than it has received, the net loss in gold from January 1, 1919, to April 1, 1920, having been \$361,243,000. At the same time it requires more gold for its own reserve because it takes a far greater amount of money to finance the same production than was formerly true, due to the millions of hours of labor which have been wasted and the reflection of this situation in the higher cost of production. For instance, while the deposits in national banks at the close of the war were \$10,000,000,000, they later rose to about \$16,000,000,000, largely through the increase of loans, and the reserves required were proportionally augmented. Federal Reserve notes in circulation increased \$723,689,000. Whereas at the time of the armistice the reserves of the Federal Reserve banks were 49.9%, they are at present only 42.5%, a figure very close to the legal minimum.

Ordinarily at this time of year the thirty-odd thousand banks in the United States have surplus funds that they hold over the summer but that they need in the fall to finance the crops. Instead of having such surplus funds today, the banks of the United States are in large proportion loaned up to their reserve and the strain of the crop moving is still to be taken care of. The Federal Reserve Board, noting this condition and realizing that the constant exportation of more gold than is imported is certain to reduce reserves farther, has called the attention of all bankers in the United States to the necessity of curtailing loans for non-essential production wherever it can be fairly done. In addition to the raising of the Federal Reserve bank rates for commercial paper, higher interest rates are being charged against loans obtained for the purpose of carrying Liberty Bonds, with the hope that it may result in the general public paying up on their bonds much faster, thus relieving the banks from a burden that interferes with their ability to carry on the trade and commerce of the nation. Liberty Bonds in the United States had been issued more rapidly than the savings of the people accumulated, which made it necessary for the banks of the nation to loan the people the money to carry them. In order to do this it also became neces-

sary for the commercial banks to borrow of the Federal Reserve banks to cover such loans and today the Federal Reserve system has loans outstanding secured by government war obligations amounting to \$1,447,962,000. Due to strikes and insufficient transportation facilities, goods have been piling up in warehouses and bills of lading and warehouse receipts carried by the banks have not been liquidated, again with the result of tying up funds which would otherwise have been available for business uses.

While the banks are loaned up to their reserves, therefore, and every effort is being made to strengthen their position, even to the point of reducing loans against United States government obligations, they cannot be expected to underwrite foreign government loans unless they can be assured of their distribution to the people. Again, with interest rates high in America it cannot be expected that individuals having money to invest will be interested in foreign securities about which they know little or nothing and where all the conditions presuppose an unusual risk, unless the difference in return between the domestic and foreign securities is sufficient to appeal to them. It is on this account and because the banks must distribute the loans that, much to the regret of American bankers, it has been necessary to ask such high rates of interest for foreign loans that have been placed in the United States during the last year or so.

It must be borne in mind that the banks of America carry the demand deposits of the people and that consequently their assets must be liquid and cannot be locked up in long time securities in any considerable proportion.

Individuals in the United States have responded to the calls made upon them for relief purposes by giving hundreds of millions of dollars, but when they are making investments certainly we must realize that they cannot be expected to consider them from the standpoint of relief, as they are strictly business operations. On the other hand, and in connection with loans to European countries the proceeds, of which when spent by the borrowing country will result in a greater demand for American goods, excellent business reasons are involved in making their purchase. It requires considerable education of the public, however, before it can see wherein it is directly interested. If the devastated regions of France could be restored over night for a month or so, their orders for raw materials from the United States would tell the story. Such an object lesson cannot of course be given, and one hundred millions of people, three thousand miles from Europe, scattered over an enormous area, of whom only half a million have been

habitual investors in the past, can only be shown the situation by means of intelligently prepared statements based upon facts.

It is of the greatest importance that the proceeds of loans made to foreign countries by the people of the United States should be used to the best advantage for the benefit of both the borrowing and the lending countries and that they be not subject to political emergencies. In the United States governmental waste is going on, as is true in other countries of the world and as is inevitable while governments act as operators, as they unfortunately must do in times of war, instead of confining their activities to the proper regulation of industry, which is their natural function. With the high prices prevailing and the high income taxes which Americans must pay, the amounts available to individuals for investment and particularly to those who have been in the habit of investing in the past and who understand its principles, have been so reduced that there has recently been difficulty in finding funds to take care of America's own requirements. The great increase in the cost of production as covered in wages is not available for investment, as in large proportion it is being spent.

In the solving of the world's problems it is just as necessary that America learn to work conscientiously, to stop spending, and to save, and so help to do its part toward making up the huge deficit in the world's material requirements that has been caused by the war as for Europe; but it is even more vital to Europe that her own peoples shall do so themselves. In the countries of the European Allies there is unquestionably a marked improvement in this condition, and it speaks wonderfully well for their general strength of character that, so soon after the terrible war which they have just been through, such evidences are noticeable. In the neutral nations of Europe, too, there are many hopeful signs. In the countries of Central and Eastern Europe, however, chaos still exists to such an extent that it is a menace to the whole world unless it can be corrected. This being true, it is clearly the duty of the Allies and neutral nations to join together with every moral and economic force which they can bring to bear to help restore stable conditions to Central and Eastern Europe.

After the armistice Europe had its eyes upon the United States from the wrong point of view, and it harmed itself waiting for America to do the impossible, that was, to reconstruct it in idleness. It is still too soon for the people of the United States to step into the situation in any comprehensive way because of their own temporarily strained economic situation and also on account of the great waste certain to occur if large loans were extended at this time. It is far

better for Europe and America, during the period of reconstruction of European industry and until the time when Europe can pay for goods imported with goods exported, that loans from America be curtailed. If high-priced goods are exchanged by one country for high-priced goods in another country the transaction may be harmful to neither. On the other hand, if goods are purchased during times of tremendously high prices from one country by means of loans extended to the purchasing country it is bad for both countries. It means increased difficulties of payment to the borrower and the probable receipt of a flood of goods by the seller at a time when it does not need them and when it may interfere with its own production. It is therefore important that Europe help itself to the limit of its power and that temporarily America be called upon for long-time loans for strictly essential purposes only. In the meantime credit facilities for commercial requirements that are liquidated from the proceeds of commodity sales can be advanced by America in growing volume. Long-term loans for the purposes of restoring devastated regions must be made regardless of the expense, for the whole world needs the production of such territories.

In America we have a mixed people taken from all the nations of the earth. The mentality of first one people and then another takes the public eye and mind as different interests become paramount for a time. Just now much thought is being given in America to the condition of the central countries of Europe, as is true in every Allied nation. This fact must not be misunderstood or taken amiss by the other Allied nations, particularly as their interests are so closely bound up in the success or failure to restore peace and orderly government in Central and Eastern Europe.

Again, it should be borne in mind that in the United States we are just now passing through a time when the politician naturally monopolizes the public forum as we are about to have a presidential election. In consequence, a great flood of irresponsible statements criticizing our Allies and ourselves is certain to be let loose. At such times it is quite impossible for the statesman to control the mere politician, a condition which is not peculiar to America but which exists throughout the world wherever communities of men abide.

In America we will never forget the steadfast power and wonderful force of the British nation. We will never forget that little Belgium, a nation of tremendous industry, deliberately sacrificed itself and lived under the arm of the invader for the benefit of us all. We can never forget how Italy at a most crucial time threw her armies into the maelstrom of war

for the great general good, even though it brought destruction upon a part of her beautiful country. And France, who can forget glorious France, the country which for four long, bloody years furnished the battleground over which the greatest armies that the world has ever seen, with the greatest power of destruction known to man, tramped back and forth with the tide of war? Can America ever forget France whose soil has been baptized with the blood of her best beloved, who fought side by side with her brave Allies and made it sacred to her people forevermore? It is beyond the power of the human heart to forget France.

In working out the world's problems together honest differences of opinion we will all have, but because of them and through them our intelligence will grow, and if we maintain proper confidence in each other the progress of the world will be advanced by mighty strides. With these thoughts and these associations and in the light of the spirit of America as expressed through all its actions, who can say that we have forgotten the needs of our Allies or that we have not done and will not do all that is within our power for the good of the whole world?

Address by Mr. Thomas A. O'Donnell

Member of the American Delegation

Mr. Thomas A. O'Donnell, of the American Delegation, and President of the American Petroleum Institute, addressed the meeting on the subject of the petroleum industry.

I am glad to be here and take part on behalf of the American petroleum industry in the forming of this chamber. When the United States government at a late date took its rightful place with the Allied nations in the defense of humanity, there was no greater part of the resources we had to offer to be thrown into the whirlpool of waste and destruction which was necessary for victory than that of the petroleum resources of the United States. Nothing was given more freely, or in a more efficient manner, to serve the general cause. There was nothing of more vital importance to our great navies than petroleum, and there was no time when it was not furnished in sufficient quantities to meet the demands. This was true, alike, behind the battlefields, at the front, and in the air. In this age of machinery and the internal combustion engine, there is no agent of greater importance in destruction and defence in the time of war,

and I think most people will realize that the war has emphasized its importance in the period of peace and reconstruction now confronting us.

Efficiency in handling the products of petroleum during the war was largely due to the fact that the American petroleum industry itself was allowed to solve the problems involved, with the men engaged in the industry directing our war efforts. This was largely due to the assistance of the Chamber of Commerce of the United States in selecting from the industry, representing all its branches, its ablest men and those with the necessary experience. The petroleum war service board operated as a voluntary organization, cooperating and coordinating its resources with a minimum of government interference, direction, or regulation. Those of us engaged in the petroleum industry in the United States believe that the many abstract problems involved could not have been solved by centralized government supervision. I think the world at large can, if it will, profit by our war experience to the end that national and international organizations of business men, dealing with the problems of peace and reconstruction, can be very helpful.

The war has brought about a very greatly increased appreciation of the value of petroleum as a fuel, principally in connection with the development of the internal combustion engine. The war has also brought to our attention the necessity of increased production, if the increasing demands of the world are to be fully met. At the present time, petroleum is attracting the attention of the world. If my associates and I may be helpful at this general conference, it will be along the lines of suggesting how the world at large may take part in the increasing production, and correcting some of the general impressions regarding the petroleum industry of the United States.

There seems to be a general impression that the petroleum resources of the United States have been practically exhausted, and that the apparent shortage which has grown rather acute in the last few months has been caused by the exhaustion of the sources of supply. This is not correct. It has been brought about by increased demands rather than decreased production. We are producing in the United States today more crude oil than we ever have in the history of our country. But we are drawing heavily every month from our accumulated stocks, which are already low. Each month shows an increased demand over the previous month, and this cannot continue for any great length of time without serious shortage occurring, making it necessary for either curtailed consumption or increased production.

Notwithstanding the necessity for increased production, nearly all governments seem to be adopting a destructive policy of restrictive legislation, which cannot but curtail the necessary prospecting and production of petroleum. Personally I am not pessimistic as to the future supply, as I believe there are many parts of the world in which petroleum exists in sufficient quantities to supply the requirements of humanity, no matter how extensive they might be; but nature has not left on the surface of the earth sufficient evidence to indicate its location to make it readily and quickly available. I believe if all governments would establish the policy of open and free opportunity for everybody from everywhere to prospect and develop the petroleum resources of the world, the results would be gratifying and sufficient to meet the requirements. Up to the present time, practically 70% of the petroleum produced in the world has come from within the boundaries of the United States. This has been largely due to the free opportunity for all people to participate in its development. In the United States we call a prospecting well a "wild-cat," and the driller of such a well, a "wild-catter," and of all the wild-cat wells drilled during the sixty years of activity of the petroleum industry in the United States, 98% or more have been failures. The 2% or less of successes have been the foundation on which the petroleum industry of America has been built.

During these sixty years of development, each period of increased demand and shortage of supply, followed by increased prices, has always brought about renewed activity of the wild-catter, and in every instance up to the present time it has been followed not only by an increased production, but by an overproduction. At the present time, however, the increased demands have become so enormous that it is generally believed by those in the petroleum industry in America that increased activity of the wild-catter in that country will not produce sufficient oil to take care of the world's requirements. It will therefore be necessary for the same kind of activity to be brought about in other parts of the world, and this can only be accomplished by the removal of government restrictions, and the giving of free opportunity to the prospector.

In the United States subsoil rights go with the ownership of the land, and all that is necessary for anybody from anywhere to start the drilling of a wild-cat well is to make a deal, either by lease, contract, or purchase, of the land involved, and start this well without any government permit or regulation. The same opportunity is given to all, whether Americans or not. Anyone has a free opportunity to reap the reward

of great wealth if he strikes oil, with an equal opportunity of going "broke."

For a number of years in the republic of Mexico, subsoil rights followed the ownership of the land, and Americans and all other nationals were permitted a free opportunity to develop the petroleum resources of that country, and from the time of the first discovery of petroleum in Mexico in commercial quantities the petroleum resources of that country were rapidly developed by British, French, Dutch, and Americans, as well as Mexicans. New discoveries have now been practically brought to an end by government interference and so-called constitutional and nationalistic regulations. If a free and open opportunity had been continued in Mexico as formerly, the world would not now be faced with an approaching shortage. It may be added that, during the period of Mexico's petroleum development, that otherwise unfortunate country experienced its greatest era of national prosperity. When the Mexicans are able to establish a stable government, nothing could be of greater importance to the future prosperity and happiness of her people than a return to the former policy of unrestricted opportunity for the development of Mexico's petroleum resources.

There is an impression which is quite general regarding the American petroleum industry and which I would like to correct. Most people not familiar with the subject abroad, and some of our people at home, consider that when you speak of the petroleum industry in the United States you are referring to the Standard Oil Company, which would give the impression that this organization produces practically all of the oil in America. This is misleading. The Standard Oil Company is occupied largely in transporting, refining, and marketing. Although I have no exact figures available, I would venture to say that they were not the original producers of 5% of the petroleum produced in America, and through years of accumulation by purchase and otherwise they have not acquired more than 17% or 18% of the American production. There are over 16,000 companies interested in the petroleum industry in the United States, having hundreds of thousands of stockholders in all parts of the world. One of these companies has over 22,000 stockholders. The twenty-five or more Standard Oil companies which go to make up the Standard Oil group, have each many thousands of stockholders, and are not simply a one-man interest, as has often been supposed. The individual American who has not had some kind of a stock certificate with the word "oil" printed on it is a rarity. A great number of American citizens are engaged in the petro-

leum industry, and in one way or another have helped in the exploration work necessary. I think our English friends present will admit that a great many of their fellow countrymen also had an opportunity of helping in the development of the petroleum resources of the United States. An English member of the Committee on Raw Materials informed me that he had taken part in the drilling of a number of wells in Pennsylvania, and they had not been successful. Such work, however, had answered a useful purpose, as it had taught a lot of us where there "ain't" any oil.

Nobody has a higher appreciation than I of the Englishman abroad and at home. He is a good sportsman, always willing to take a chance in exploring for the world's treasure, a factor everywhere in development. I am rather surprised that some of my good English friends do not fully agree with me in advocating that a free opportunity should be given to all people to explore for this useful product, and that all government restrictions be removed, and that governments, and particularly democratic governments, should not join in business enterprises, creating privileges by combination or otherwise with their own citizens, or citizens or subjects of other countries. Such participation is not in the interest of the future peace of the world, but must add the ill-will and friction of commercial competition to the always delicate problems of international diplomacy in dealing with the natural problems of government. This seems to me to be a complete reversal of the policy of Great Britain for upward of a century, the complete reversal of a policy which has made Great Britain the world-wide empire that she is today.

The great war has caused a terrific upheaval in the world at large, and in order to put forward the maximum effort it was necessary to centralize under government control many of the resources of the countries involved, to the end that their energies might be centered in meeting the demands of military operations, regardless of cost or waste or the violation of economic principles. Success in meeting the crisis was largely due to the great patriotism of their citizens and their spirit of sacrifice. In order to solve the problems of reconstruction and peace which now confront us, it is necessary, however, that we again regard the essential economic principles of development and return the world's industries to private enterprise. I believe that the maximum effort should be made by all governments to retire from business as rapidly as possible, and remove from their statute books restrictions of all kinds, and allow all people to again participate as rapidly as possible in the necessary production. It is almost unbelievable that so

many restrictions exist on the statute books of so many governments, and that the various rumors of government participation in business enterprises dealing with the production of petroleum are seriously considered. Above all, does it seem to me not possible that the English people, who have been such an important factor in production of all kinds throughout the world, should seriously be considering a permanent policy restricting opportunity for development to its own nationals, or to special organizations within its empire. It may be thought by some that such action will permit development. I believe that the contrary will be the result.

May I again say that I believe petroleum exists in many as yet undeveloped parts of the world, that its extensive development in the United States has been largely due to the spirit of adventure and the extensive prospecting that has occurred in that country. There has been no time in the entire sixty years of development in America when there have not been more wild-cat wells drilling than in all the rest of the world put together, and today because of the great shortage and increased prices there is greater activity in this line than ever before. With all this activity, I am sure that the requirements will not be met, and a policy should be adopted by the world at large to encourage the wild-catter, and in order to get him busy government restrictions must be removed. The chances involved are of such a nature that there must be visions of great wealth through success. Another important factor is that there must be a reassuring and stabilizing policy in reference to property rights everywhere. You can only induce the wild-catter to get busy if he knows that whatever he finds is his, and that his rights will be protected by society.

May I refer to a well or two that have recently been drilled in Great Britain? Sufficient oil has been found to indicate that petroleum exists in that country, the quality of which is highly valuable. The very fact that a small quantity has been found would indicate to me the same possibilities as a hunter looking for game would feel when he found fresh tracks, as he would know all he had to do was to continue the hunt to find his quarry, but let me predict that if the pursuit is left entirely to government red tape, restrictions and favoritism, the trail is likely to be obliterated and altogether forgotten before the discovery is made.

If you want to develop your petroleum resources, turn the wild-catter loose in England. Some of the best wild-catters we ever had came from England. Turn him loose with his visions of wealth and the probability of failure, but in the aggregate the result of this work will be of immeasurable value.

Two or three hundred strings of tools scattered through the country would quickly determine whether oil exists in commercial quantities. I believe it does, and even if found by an American, it would be of great importance to the people of England. It would enrich the landowners and the country, and whatever property rights were established would be there. If at any time petroleum was required for the national defense it would be at the disposal of the English people. The same thing applies to France or any other country.

I was advised in our committee that the general conference would not deal with specific subjects, and I did not expect to be called upon to address you, and have done so only at the request of the chairman of the Raw Materials Committee. If I and my associates can be of any assistance whatsoever in connection with petroleum, it can only be by giving a frank expression of our views. So far as the American petroleum industry is concerned, we are not asking for, nor do we want, any special privileges at home or abroad. We do ask, however, that in the interest of an increased production, serious consideration be given to the fact that a great part of the energy and talent engaged in the production of petroleum up to this time has come from America, that the world's requirements are increasing, and that as great an opportunity as is consistent with public policies should be extended to Americans and others to participate in the general development.

Paper by Dr. Van H. Manning

American Petroleum Institute

Dr. Van H. Manning, of the American Delegation, presented a paper on the timber and lumber supply as related to American and European markets, which was ordered printed in the proceedings. The paper presented follows:

Because of war conditions the United States and Canada are at least four years in arrears of their normal building program. Great Britain and the Continent are at least five years behind their normal building program, to say nothing of the very large demand for timber and lumber for reconstruction purposes.

Prior to the war, the United States reached its peak of production, when its manufactured lumber and timber exceeded 45 billion feet board measure.

The normal pre-war production of manufactured lumber, sleepers, pit-props and pulpwood were approximately as follows:

	Standards
Sweden	1,250,000
Norway	150,000 to 200,000
Finland	600,000 to 700,000
Riga district	500,000 to 600,000
Petrograd	200,000 to 300,000
White Sea and Siberia ..	50,000 to 80,000
Poland, via Danzig and Odessa	50,000 to 75,000

In Sweden production is about normal. Up to the end of June, 1920, about 75% of the output had been sold.

In Norway production is also about normal, and on June 30, 1920, practically the entire stocks were sold.

During the years 1915-1919, the opportunities for export from Finland being very limited, stocks had accumulated in 1920 to the extent of about 1,500,000 standards, out of which as of June 30 approximately two-thirds have been sold.

The production of lumber and timber of all kinds in the United States this year will probably approximate somewhere between 30 and 35 billion feet board measure. This figure, although estimated, will be found to be substantially correct, and it is worthy of note that the 1920 production will be in the neighborhood of 10 billion feet less than the highest production reached prior to the war. This shortage in production is due to vanishing resources, inefficiency of labor, labor shortage, railway embargoes and car shortage for distribution to domestic markets and lack of tonnage for foreign markets.

Exact figures concerning Canada's supply and production are not available at this writing, but generally speaking, conditions are very similar to those obtaining in the United States.

Prior to the world war, Great Britain and continental Europe drew their supply of lumber, timber and other wood products from the sources above enumerated, and of the total less than 8% was supplied by the United States. For the years 1921-22 a somewhat different condition will probably exist.

It is not likely that Sweden and Norway will be able to increase their output beyond pre-war normal conditions. Finland's output may vary between 500,000 and 750,000 standards. The result will depend in a large measure upon the political and economic situation.

The White Sea production is not likely to go much beyond 50,000 to 80,000 standards. This entire output is reported as sold to Great Britain for the years 1920-1925 inclusive.

The production of the Riga district in 1920 will be very small, probably much under 100,000 standards. Thereafter, depending upon financial and political conditions, the output may be increased gradually to a possible maximum of 300,000 standards yearly. There seems to be little encouragement, however, for a production of any consequence for several years.

It is not possible to make any reliable estimates at this time concerning central and southern Europe including Germany, Switzerland, Austria and Czecho-Slovakia. These productions have gone usually to the Mediterranean for consumption in central and southern Europe. The quantities offered in 1920 appeared to be about equal to normal pre-war production, notably from Czecho-Slovakia. This is probably due to financial pressure for export in order to help the exchange rate in the newly formed republic. The political and commercial conditions are still too uncertain to permit any reliable estimate.

The conditions as above outlined, with some variations of course, are likely to last for a period of several years. As regards demand, everything centers around finance. If finances can be arranged in such a way that Great Britain and Continental Europe can afford to import quantities even approximating their minimum requirements, it is obvious that the timber resources of the United States or Canada will be drawn upon to a far greater extent than ever before. As previously mentioned, the production in the United States and Canada is now very considerably less than the maximum production, and for reasons previously enumerated it would probably not be possible for the United States and Canada ever again to reach their previous maximum production.

Depending upon economic and financial conditions, it is apparent that building and construction of all kinds in America and in Europe will be on a large scale for at least several years. Timber and lumber resources will be taxed perhaps beyond the ability of these countries to produce. Obviously, therefore, conservation and economy in the use of all wood products will need to be practised diligently and, wherever practicable, substitutes should be introduced.

Board of Directors

M. Etienne Clementel reported to this session that the Joint Committee on Permanent Organization, in accordance with the provisions of Article III, part 5,

of the Constitution, had selected the following directors and alternates suggested by the organization group of each of the five foundation countries, who will constitute the Board of Directors until the next general meeting:

DIRECTORS

Belgium

EDGAR CASTELEIN.
WILLIAM THYS.

LOUIS CANON-LEGRAND.

France

EUGENE SCHNEIDER.
GEORGES PASCALIS.

JEAN COIGNET.

Great Britain

SIR ARTHUR SHIRLEY BENN.
DR. WALTER LEAF.

HON. J. G. JENKINS.

Italy

MARCO CASSIN.
LUIGI DELLA TORRE.

GIORGIO MYLIUS.

United States

EDWARD A. FILENE.
WILLIS H. BOOTH.

JOHN H. FAHEY.

ALTERNATES

Belgium

BARON JANSSEN.
ALEXANDRE DE GROOTE.

JOSEPH MARCOTTY.

France

RENE DUCHEMIN.
JULES GODET.

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Great Britain

SIR FELIX SCHUSTER.
BARTON KENT.

J. E. McCULLOCH.

Italy

ZACCARIA OBERTI.
NICOLA PAVONCELLI.

ALBERTO PIRELLI.

United States

WILLIAM BUTTERWORTH.
HARRY A. WHEELER.

OWEN D. YOUNG.

Closing Address

M. Etienne Clementel made the closing address, which follows:

I wish first of all to announce to you, now that the first general meeting, the organization meeting, of the International Chamber of Commerce, is about to terminate, that it will not be long before we meet again. Our next general meeting will take place in the coming year. It will be in London and will be welcomed by our excellent English friends. We shall meet at that time to report the progress of our activities, and if need be, take such action as may be necessary to perfect the organization.

I am deeply touched by the honor of having been called upon to preside over the International Chamber of Commerce. I accept this great task and thank you for the confidence which you have placed in me. I see in this, above all things, the reward for the efforts I made during the war to strengthen and cement the economic union between the great Allied nations. Today I am given the opportunity of continuing those efforts, a work of peace and concord. You may be sure I do not minimize the difficulties which we shall meet with during the period of organization, beginning tomorrow, when we have all separated. I shall put forth every effort and endeavor in every way to overcome these difficulties. I am sure that my colleagues will do likewise. Nothing can stop the progress of our work. It will grow from day to day. You are as sure of that as I am. We can confidently look forward to meeting each other next year.

Through the chairman of each of the delegations, I thank each of the representatives from the respective countries for the unqualified support which they have given us. I thank all of you for the thoroughness displayed in your work, the moral and practical value of which you have understood as a work of truly world-wide importance, which will help to further establish justice and a spirit of brotherhood in the economic relations of our different countries.

It is with real regret that we shall separate. We have learned to know each other in the week that we have been working together. A sincere and cordial feeling has come to unite us. Those who a week ago were strangers are now friends. This organization meeting has given evidence of how good is our understanding, how excellent our harmony, and further it has evidenced how practical business men such as you, coming here with different ideas and different points of view, could unite on a common basis and carry to a successful conclusion

the work we have just completed, the organization of the International Chamber of Commerce.

As I stated before, we shall separate with regret, but we shall soon meet again in London, the great metropolis of a great empire, where we will be welcomed by our English friends.

In London, the second meeting of the International Chamber of Commerce will find an excellent observation post, for Great Britain is, so to speak, the economic axis between young America, which is at the height of its prosperity, and old Europe, which is laboring with the difficulties resulting from the struggle which has been taking place on her soils, to safeguard the common ideal. England, thus situated in the axis of the commercial balance, knows that she has a great role to play in order to bring to an end the European chaos, and England will certainly play her part.

I shall therefore not say "Good Bye," but "To Next Year." We shall now set to work, not permitting ourselves to be overawed by the labor confronting us, but on the contrary, encouraged by the magnitude of the task. We shall, in a year, report to you on the work accomplished. When one has, as we have, the confident hope,—yes, more than that, the will to succeed,—one does succeed. You will do your duty, and you will adopt as your motto the words of Napoleon, "Impossible is not French."

Representatives from the different countries were advised of the banquet to be tendered to them by the Chamber of Commerce of Paris, on Thursday evening, July 1, 1920, at which time addresses would be made by M. Etienne Clementel, President of the International Chamber of Commerce; M. George Pascalis, member of the Board of Directors of the International Chamber of Commerce from France; M. Reibel, Special Representative of the French Government; M. Jean Coignet, President of the Chamber of Commerce of Lyon, and M. Emile Jottrand, Secretary of the Chamber of Commerce of Mons, Belgium.

The organization meeting of the International Chamber of Commerce adjourned at 5.00 P. M., Wednesday, June 30, 1920, sine die.

The first of these is the fact that the medical profession is a very small group of people, and it is very difficult to get a large number of people to agree on anything. The second is the fact that the medical profession is a very conservative group, and it is very difficult to get a large number of people to agree on anything. The third is the fact that the medical profession is a very powerful group, and it is very difficult to get a large number of people to agree on anything.

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BANQUET TENDERED BY CHAMBER OF COMMERCE OF PARIS

On the evening of Thursday, July 1, 1920, the Chamber of Commerce of Paris, France, tendered a banquet to the delegates representing Belgium, France, Great Britain, Italy and the United States at the organization meeting of the International Chamber of Commerce. Addresses were made by M. Etienne Clementel, President of the International Chamber of Commerce; M. Georges Pascalis, member of the Board of Directors of the International Chamber of Commerce from France; M. Reibel, Special Representative of the French Government; M. Jean Coignet, President of the Chamber of Commerce of Lyon, France, and M. Emile Jottrand, Secretary of the Chamber of Commerce of Mons, Belgium.

Address by M. Etienne Clementel

President, International Chamber of Commerce

I wish, in the first place, on behalf of my colleagues and all the members of the new International Chamber of Commerce, to express to the Paris Chamber of Commerce our hearty thanks for its kind invitation. We are happy and proud that in the blaze of fireworks which has welcomed our Allied colleagues, the set piece has been furnished by the Paris Chamber of Commerce.

The Paris Chamber of Commerce is, in fact, the greatest of the commercial organizations of our country. In the course of its already long existence it has often aided French commerce at difficult moments by pointing out the best course and giving it the wisest counsel. It has often taken the initiative in progress. It has always set the example of self-denial and devotion.

The man who was the Minister of Commerce during the long years of the war is better qualified than any one to speak of the important role played by the Paris Chamber of Commerce during the tragic hours. While many of their sons were fighting on the front, its members volunteered in the service of the country. We could call upon them under all circumstances with the certainty that they would answer our appeal. How

many I see among you who were my daily collaborators on our commissions, facing unpopularity in order to fulfill your duty for the safety of the country and neglecting your own business, working with us from morning to evening.

I will only name one of these collaborators. He, alas, is absent, but his memory remains for all time in our hearts and minds. I speak of M. David-Mennet, who shouldered with us the heaviest responsibilities and never shirked them.

You also, M. President Pascalis, deserve all our gratitude for your efforts during the war, and also for the valuable aid that you have given to the International Chamber of Commerce from the first hours of its existence. We thank you for having arranged this festival to celebrate the baptism of a child whose father you have a large claim to be.

When, last year, Messrs. Filene, Lamont and Bedford came to France to prepare the undertaking which is a reality today, to whom did they have recourse in the first place? To you, and it was you who referred them to the Ministry of Commerce and the General Confederation of Production. These were your actual words: "Forward, sirs, I am at your side with all my colleagues of the Paris Chamber of Commerce. Take the initiative, we will respond to your appeal." I claim, therefore, no merit for the ardent apostleship to which I have devoted myself, for it was from your hands that I received the torch.

You were in the right, Mr. President, gentlemen, members of the Paris Chamber of Commerce, when you welcomed the idea of an International Chamber of Commerce; when you approved my choice of M. Eugene Schneider, whose well merited praises you have just sounded, as Chairman of the French Mission in America; when you delegated one of your members, M. Godet, to attend the Atlantic City Conference. You showed that you appreciated how interesting was the task to be accomplished.

This task is an accomplished fact, and I am happy to note that on the Board of Directors of the International Chamber among the French members I see present here tonight, M. Eugene Schneider, to whom the success of our undertaking is in a great part due; M. Coignet, President of the Lyon Chamber of Commerce and Senator for Lyon, M. Duchemin, M. Godet, and Baron du Marais.

With all of us, you, Mr. President, and you gentlemen, members of the Paris Chamber of Commerce, you have assumed your share of responsibility, and you will continue your effort for the success of the great enterprise to which we are now going to devote our efforts.

I can assure you, gentlemen, that after having followed this

congress in its development, after having witnessed day by day, minute by minute, the evolution of the proposals and the desires formulated in committee meetings and in general sessions, I can assert that our friends from the Allied countries have met with the firm intention of never again disuniting.

As M. Reybell remarked, two months ago, as chairman of the opening festivity of our preliminary labors, we have to thank our friends in the United States for their happy initiative. They came to us at the moment when, after the victory, the suggestion of an abrupt break in interallied unity reached us from the other side of the Atlantic. The war is finished, it was said, let us cast off all our harness. No, gentlemen, our harness included interallied cooperation, and this part of our harness we have to wear on our shoulders during the whole period of the world's reconstruction. Commercial life after the war cannot in the case of any nation be based solely on national individualism, I was going to say national egoism, but the expression is too strong. There is hardly any national question which does not react on international life. All universal questions react on the national life of all peoples; we can no longer remain in ignorance of one another.

It cannot be that, in the present evolution of the world, the bonds of economic unity should be broken between the peoples who made these bonds during the war. Our nations can no longer ignore each other. Our products are to pass from country to country like our thoughts and sentiments. The distress of one of our nations should react on all the others. We serve each of our countries well when we aid each other.

The first manifestation of this activity ought to be to force Germany to keep her engagements, to pay her debts, to rebuild the ruins she has made in France, Belgium and Italy. Our English and American friends thoroughly appreciated this effort when, at the very opening of our labors, they took the initiative of affirming our complete unity on the economic question and demanding that Germany delay no longer in honoring her signature.

Our American friends have come here, 160 in number, to represent all the great American industries and America's commerce and finance. We have much to learn from them, especially in all that has to do with organization. One thousand four hundred industrial or commercial organizations have joined in a great federation which composes the Chamber of Commerce of the United States. These diverse groups, which represent so many, often opposing, interests and districts so widely different, have succeeded in arriving at a unity of direction.

Let us model ourselves upon them. We ought to make it our object not only in our congresses, but also in the permanent activity of the International Chamber of Commerce, to find the geometric point, if I may borrow a term from the language of science, between all our different national interests and the collective interests.

Preserving our autonomy, or I may say our independence, in national organization, we shall, under many circumstances, derive a great force from our union for the realization of common ends. The hour of economic individualism is past, for men and for nations. We must in the future resolve to lean on one another and aid each other.

Our English and American friends wished to show that they had in their heart the noblest spirit of interallied altruism, when, on the frontispiece of the labors of the International Chamber of Commerce, they adopted the resolution in favor of the total repair by the enemy of the damages caused by him in France, Italy and Belgium, as well as in all the other countries which have suffered with us for the cause of right. They adopted this resolution not only unanimously but with enthusiasm. The hour of hesitation and delay has passed. It is by force, if force be necessary, that Germany must be compelled to meet her engagements.

I shall now speak about the publication of the labors of our meeting. This publication will give you an opportunity to ascertain for yourselves that the resolution we have adopted are essentially practical, marked at the same time by the ideal sentiment of our cooperation and also by a sense of reality. Our labors will prove that we are business men voluntarily associated, that our efforts are for the good of each of our countries and for the economic reconstruction of the world.

It is enough for me to point out to you that, among the important questions considered, were the economic problems, the exchange of raw materials and especially the fuel supply. The principles which ought to inspire our policy with regard to raw materials are, in the opinion of all of us, principles of equity, enabling each nation to be assured of its share of indispensable raw materials, on identical conditions, both for those who have the good fortune to possess those materials and for those who have to buy them from their possessors.

At the actual moment we have to face the necessity in which certain countries that no longer attain a normal production in certain matters are placed, of exercising control on this production. We have been unanimous in calling attention of all governments to the danger of conflicts that might arise

from the continuation of the system of discrimination in the prices of raw materials.

Without doubt, the control of raw materials was indispensable during the war. Otherwise, we should never have been able to crush the enemy. I have always been very much in favor of control, but the control as I have conceived it is universal control, as indeed it was practised by the Allies during the war.

For the economic reconstruction of the world, this control should have been continued for some years after the war. In spite of all my efforts it has been decided otherwise, and today this control, tending to become purely national, leading to differences in prices for the home market and the foreign market, may prove a great danger for the peace of the world. This is why we have called the attention of governments to this important question and have suggested to them the imperative measures to be taken. Of these I am certain you will approve.

Need I tell you that in our future programme we have a whole series of measures of a practical kind which would have been adopted long ago if a permanent organization had been maintained charged with the duty of making those measures effective. But nothing of this kind was done. A congress terminated; the last toast given, the last applause silent, the company separated, the resolutions often remained a dead letter.

Among these measures I refer to one regarding the basis of a common nomenclature for customs tariffs. While it is impossible to unify customs duties on account of the different conditions of production in each country, it is quite possible to unify the list of the products subject to duty, so that every manufacturer or merchant desirous of exporting his products should not be obliged to organize a regular staff for the study of customs nomenclatures. This unification would logically involve the application of an identical system of weights and measures, but unfortunately we cannot for the moment entertain the hope of seeing this reform realized. Each country has its own customs, and even if manufacturers and merchants are unanimously inclined to adopt a uniform language in all that concerns the measures and weights of goods, they have to take into account public feeling in their countries, which is not always ready for radical changes.

We shall endeavor to secure unification of the laws governing maritime commerce. The terms "c. i. f." and "f. o. b" have not the same meaning in every country. This complicates

to a great extent the work of sellers and buyers and leads to misunderstanding.

Among the more or less important questions, I have selected but a few examples at random. There are many others that we shall have to study. Regarding these the board has proposed certain procedure that will be submitted to you in due course. Studies of the great international and national problems that have an international bearing; studies of the grave and urgent problems of economic reorganization; practical propositions to be laid before governments and the industrial, commercial and banking groups are what we aim to do and pursue with energy.

Now that the International Chamber of Commerce has been founded by the five Allied countries who have had the severest effort to make against the common enemy, we are going to invite to join us all the allied countries who have signed the League of Nations and all those that the League recognizes as eligible.

Our constitution establishes our association on a solid base, and I take this opportunity of cordially congratulating Mr. Fahey, Chairman of the delegation from the United States of America at the meeting which has just terminated, who was the leader in the drafting of the constitution.

I apologize, gentlemen, for having consumed so much time, but I thought it necessary to explain in full the direction our action will take and the plan we propose to carry out. I attach importance to this because in each country we have need of close cooperation between the industrial, commercial and banking groups here represented. I am certain that they will collaborate with us in the way we hope.

I was pleased to hear M. Pascalis, speaking on behalf of the Paris Chamber of Commerce and also as President of the Union of the French Chambers of Commerce, once more assure us that we may rely on him. I thank him and I thank you all, not only on behalf of the International Chamber of Commerce but on behalf of our country. I can, indeed, give you the assurance that, in helping us to accomplish our task, you are working for the consolidation of the peace, for the reestablishment of the economic balance of the world, and for the prosperity and future of our great and beloved country.

Address by M. Georges Pascalis

President, Chamber of Commerce of Paris

To the fatigue resulting from your unselfish labors, I beg to be excused for adding one more dinner to the series of

festivities that have succeeded each day's work of the organization meeting of the International Chamber of Commerce. But truly our Chamber of Commerce owed it to itself and to the national interest to manifest its admiration for the devoted and generous minded men who have conceived this noble idea and brought this great task to a successful conclusion.

You will regret, as I do, that the departure of the President of the Council from Paris today deprives us of the presence of several of the ministers and of M. Louis Dubois, president of the Reparations Commission.

For various but good reasons the Under-Secretary of State for Postal Services and the ambassadors in Paris representing the Allied nations are unable to be present; they, I am sure, would not have failed to lend to the organizers of the International Chamber of Commerce their valuable support. I regret also the absence of M. Charles Laurent, our eminent ambassador to Germany, who left yesterday for Berlin with our good wishes for success in the difficult task which he is so well qualified to undertake.

The president of the Chamber of Deputies, president of the Franco-Belgian Entente, prevented from coming this evening, has been kind enough to send M. Lainel in his place. I extend to him my thanks.

The President of the Council, who is particularly interested in commercial questions and gave proof of it on Monday at the Sorbonne, has done us the honor and extreme pleasure of sending in his place the Under-Secretary of State of the Presidency of the Council. I know, Mr. Under-Secretary, that you would have come in any case, and I owe to you a double debt of thanks.

It is next my duty to express our profound sympathy with the Minister of Commerce in the cruel loss which he has sustained and to assure him of our respectful affection together with our regrets at being deprived this evening of his wise counsel.

I will not abuse your patience and will ask your permission to offer our general thanks for this manifestation of good will to all our eminent guests who have accepted our invitation. You will allow me, however, to make one exception to this rule by naming particularly our amiable colleagues, the presidents of the Belgian, British, Italian and American chambers of commerce, who are faithful friends of the Paris Chamber of Commerce.

With reference to the chairman of the Joint Committee on Permanent Organization representing Belgium, Great Britain, Italy and the United States, after congratulating them on

their splendid and impressive manifestation of Friday last, a manifestation that was governed by logic and good sense and inspired by a boundless love for France, I will say to them that we look upon them as members of our family. They are at home here.

There are among your delegates many representatives of banks. We may congratulate ourselves on this from every point of view. The union of banking and commerce is as useful, necessary and indispensable as that of science and industry, which has triumphed over all resistance and prejudice and is now beginning to develop successfully. We are glad that you applauded as cordially as we the clear and practical address of M. Charles Georges Picot last Monday. It is most evident that economic restoration must be accompanied or even preceded by financial restoration. And so I have special reason to regret the absence of the Minister of Finance. I should not have failed to extend to him my congratulations for the well merited address he made the other day at the Pre-Catelan. And my eulogy has special significance. For it is pronounced by one of the Minister's victims.

Our taxpayers, whom I have the honor to represent for the moment, are not, it must be asserted boldly, the refractory body that many take pleasure in depicting. But you will agree with me that if it is undeniably meritorious to decree taxes, it is all the more meritorious to pay them. We know that we must pay and pay we will, taking exception only to irritating complications and investigations. That is why I should have presumed to offer the Minister of Finance my modest congratulations, on the one hand for displaying a fiscal courage which has perhaps too long been lacking in the public powers, and on the other hand for having had the energy and good sense to prevent this rather late-born fiscal courage from degenerating. I will not mince my words. While I do not approve all M. Francois Marsel's solutions, I should have had great pleasure in thanking him for having safeguarded us from certain abuses, and especially for having so valiantly contested the unexpected and extraordinarily youthful enthusiasm of the High Assembly.

Forgive me for dwelling at some length on these fiscal questions. They have a close connection, as you will see, with the ideas and sentiments that unite us and have materialized in the creation of the International Chamber of Commerce.

Has it not, indeed, been asserted that the French were more ready to give their blood than their money? Has it not been said more or less openly that our Allies reproached us with not attacking more resolutely the rather alarming problem of financial restoration? We had, indeed, many excuses. Why deny

it? We heard it said: "The vanquished will have to pay. They will pay for their devastations. They will reconstruct the ruins they have left. They will reimburse the terrible cost of the great struggle." But we see now that, whatever the indemnity we wring out of our vanquished enemy,—and I presume that he will really be forced to settle it,—we shall have still a tremendous effort to make. And now that they have been told the truth and have grasped the situation, the industrious and economical and well balanced French people have buckled to the task without hesitation. You see, gentlemen and Allies, that France, after her blood, gives her money and her energy with unbounded generosity, for the liberty of the world as much as for her own independence.

All mistrust then has died down. The world does us justice. And I at last arrive at the goal with my message of thanks to the delegates of the four friendly nations for the invaluable proofs of the attachment they hold for us. After the voices of authority that you have listened to these last few days, my voice can sound but feeble. I am not a diplomatist. It is my heart that speaks. You feel this, I am sure.

As president of the assembly of the Presidents of the French Chambers of Commerce, represented here this evening by almost its entire executive committee, who are fully in accord, I am sure, with all I have said, I welcome you and I salute the grand idea of concord that has inspired you to create an international economic union to facilitate exchange, dissipate prejudices, and assure economic peace and harmony, with a view to reconstituting universal prosperity so seriously undermined by the war.

Naturally your organization has been compared with the League of Nations. There is no avoiding the analogy, and it was not out of place that M. Leon Bourgeois, the eminent president of the Senate, should honor with his presence the inauguration of your association at the Sorbonne last Monday. But though the League of Nations is a creation of political order and I am treading on forbidden ground, I think that since we are engaged on an international task of peace and harmony, I have the right to remark that, if there is a striking resemblance between the two ideas, there are also many differences.

The League of Nations is a delicate enterprise and one difficult to undertake because it goes against traditions of great antiquity. The history of the world is composed of rivalries and struggles, to which it is now proposed to put an end. The League of Nations is a magnificent dream, such as a Jean Jacques Rousseau might have dreamed, which one might perhaps

contemplate as the logical goal of a progressive humanity advancing towards perfection. This will evidently render its creation somewhat difficult, for its devotees must be men of strong convictions, discouraged by no obstacles.

The International Chamber of Commerce, on the other hand, which is certainly a first step, has been organized by practical men after the idea conceived by the apostles of the movement. A real apostle was the amiable Mr. Filene, who came here more than a year ago to ask me to help him to enlighten his compatriots on the state of Europe, and a few days later, aided by Messrs. Bedford, Miner and Lamont, won over the Minister of Commerce to his idea and procured the expedition to the United States of an interallied mission whose enthusiastic reception we have not forgotten. An apostle, too, was M. Clementel, the minister of the day, who, carried away by the idea suggested to him, devoted himself with his accustomed ardor to the organization of the mission of whose work we now see the results. Apostles also are all the members of the International Conference at Atlantic City, who, on the other side of the ocean, laid the basis of the economic reconstruction of the civilized world and have now set up the enterprise in the face of a thousand difficulties. And I will ask you to let me compliment with sincere and frank esteem M. Schneider, who, after giving the mission the benefit of a lucid intelligence that won universal admiration, has continued to work unweariedly for six months and may claim perhaps the greater part of the success of the scheme.

Is anything impossible for such men? Who could dare to think it? And when today I see our eminent Minister of Commerce, whose experience and sure judgment are universally recognized, and the President of the Council, who besides his wide knowledge of commercial questions has a commanding outlook on the international point of view,—when I see these two high authorities giving their approval and support to this new enterprise, I think I have the right to say that the International Chamber of Commerce will live, and its permanent activity will unify the energy that dispersion would render sterile. It has arrived at its own hour, and none too soon. Let us not deceive ourselves. In spite of the efforts made in the political field, the world is moving towards a perilous individualism. Each nation appears to be endeavoring to make itself self-sufficing and to do without its neighbors,—a universal error. You are as convinced of this as I. The economic prosperity of tomorrow must, on the contrary, be evolved by exchange. Let each people give to the rest what it produces in excess and demand from them

what it lacks. That is logic and good sense, and it is in that formula that all will find abundance and wealth. The International Chamber of Commerce is to be the active and vigilant agent of this great reorganization of the unbalanced world. I raise my glass to the success of this fine enterprise, to the merited success of the serious-minded men who have devoted themselves to it, to the President of the International Chamber of Commerce, M. Clementel, to the heads of the economic missions who have brought to our wounded France such a magnificent expression of sympathy.

Address by M. Reibel

Special Representative of the French Government

Men of action as you are, I assume you do not expect a discourse from one who has the honor this evening of representing the government. In the last few days you have heard many speeches. Some have been very eloquent. Moreover, the work which you have undertaken calls at once for something more and something better than mere words of official good will. It claims the confident adhesion and the active support of the public authorities. This adhesion is yours, this support will not fail you, and in the name of the Premier and of the entire government I again wish to assure you of both.

Furthermore, your work responds to an urgent necessity. You understood that, on the morrow of a war in which so many nations had to engage all their forces, the economic equilibrium so completely thrown out of balance could be set right again only by union, cooperation and collaboration. You felt how deadly would be, for all peoples, an economic struggle following the military struggle. How can we doubt but that a harmony of interests must now exist among those who for more than four years fought shoulder to shoulder on the fields of battle? Will not that unity of vision and action which guided the Allied powers in their work of destruction be as necessary and as fruitful in their work of resurrection and life? That is your belief. You believe that an International Chamber of Commerce organized in Paris will be the testimony of this union and that it may become the instrument of this collaboration.

The French government shares your views and congratulates you on your initiative.

The eminent president of the Paris Chamber of Commerce has just told us in eloquent terms the deep-rooted reasons for our confidence in the destiny of France. He has shown you how tenacious is the effort which is daily being made toward

economic recovery and toward the reestablishment of our financial situation. Certain superficial or biased observers found a cause for anxiety in the impression of relaxation produced upon them by our nation on the morrow of the armistice. They implied that for a long time the French would try to forget their sufferings of the years of war in the pleasures and satisfactions of a life in appearance broad and easy.

The French people took it upon themselves to dissipate all these doubts. With determination, they have gone back to work. Impervious to every kind of temptation they have unhesitatingly turned their backs upon these dangerous delusions toward which certain bad shepherds wished to lead them. They brought to the work of peace those qualities of endurance, determination and sound sense which they had so generously devoted to the work of war. Sufficient be it for me to remind you that, having realized the necessity of setting right again at any cost the finances of the country, they have, through their lawful representatives, just accepted the burden of nearly 800,000,000 pounds (20,000,000,000 francs) of annual taxes.

This effort will continue, for the ground to be covered is vast. Who could feel surprised at this, for who could forget the price of blood and ruin which France paid for the common victory?

In this effort, and here I address all our Allies, you will assist us and by your cooperation you will help to render it fruitful. The International Chamber of Commerce will be, in the economic sphere, the great organization through which all men of ability and good will will collaborate. The French government expects a great deal from it. It will have to discuss and conciliate interests which at first sight may appear opposed. Regarding international transactions, it will have to prepare the way for the return to the normal interplay of economic laws and of freedom of trade, from which we were sometimes obliged to swerve owing to the pressure of the exigencies of war, but which now, little by little, must again come into their own. In all countries it will have to stimulate production, the only real source of wealth, and it will have to promote competition, the necessary factor to progress.

The usefulness of your institution can only increase as the world again finds its equilibrium, since it will unceasingly extend its action of peace and understanding and since, as M. Pascalis said so eloquently just now, it will powerfully help to introduce into the sphere of reality the fundamental idea of the League of Nations.

A great and fruitful work awaits you. In the name of the

government of the French Republic, I raise my glass in honor of the International Chamber of Commerce.

Address by M. Jean Coignet

President, Chamber of Commerce of Lyon, France

I have the honor of being the special representative on your Board representing the provincial element in France. You know how close the union is in our country, a union which, thanks to the powerful help of the Allies, we have just cemented by regaining for the mother country our dear provinces Alsace and Lorraine.

Every time you come to Paris you have the evidence of this union before your eyes. Our admirable capital is the center of our country's life, and contains within its walls organizations such as the Paris Chamber of Commerce, whose constant effort is to represent Paris, the heart of the nation, and the other cities of France, which do indeed represent the entire nation.

Union does not, however, prevent variety. There is in our provinces a local life which has been evolving, so to speak, and growing for a number of years. I can assure you that in order to further the interests of the new institution which you have just founded, the French provinces will do everything in their power to cooperate closely with the capital in extending our commercial relations.

Moreover, we welcome with pleasure the foundation of a permanent organization in Paris designed to facilitate international relations, because, for a number of years, the people in our provinces have been anxious to have direct international relations with many countries.

Since I have the honor of representing here the Lyon Chamber of Commerce, let me say that no industrial town in France is more favorable to international relations than Lyon. Last year Lyon exported silk goods to the value of a billion and a half francs. I can assure you, sir, president of the International Chamber of Commerce, that you will always be able to rely upon our absolute support in our common task, and I feel sure that we will do all in our power to help revive the trade of France with the outside world, a trade which we wish not only to reestablish but to develop to a figure which it has never yet reached.

Gentlemen, I drink to the prosperity of the International Chamber of Commerce.

Address by M. Emile Jottrand

Secretary, Chamber of Commerce of Mons, Belgium

You have placed me in a rather embarrassing situation, for, Mr. Chairman, in your opening address you said that you would not add another ordeal to those which had been imposed upon us, as a result of the organization meeting of the International Chamber of Commerce.

When I look around this room I see that there are only two Belgian delegates left, M. Allard, a very old friend, and myself. It might be thought that we have retreated before an ordeal. I should like you to think, however, that nothing of the kind has happened. I have no doubt about your kindly interpretation. The absence of our 23 compatriots is due to a series of chance circumstances, and they are, I feel sure, very sorry not to be here. They will be all the more sorry when I tell them of the warm welcome given to us, and when I give them a description of this splendid reception by so genial a society.

The truth is that the Belgian bankers, industrials and business men are very busy. You know how much our country suffered and how difficult it is for my compatriots to stay away from their business for a fortnight. Is not that so, M. Allard? That is why the express trains yesterday took home all our delegates except M. Allard and myself.

I feel sure that you, sir, President of the Chamber of Commerce of Paris, and all of you, will willingly excuse them and that their absence in no way diminishes the esteem in which you hold them.

I don't want to keep you too long, but I should like to point out that our relations are not of today; they date from a long time ago. They were made especially binding under circumstances which I am pleased to be able to recall.

Six years ago, in 1914, we met in this same house frequently and under agreeable conditions. The Belgians, whom I represent, presided at that time over the International Congress of Chambers of Commerce from which sprang the International Chamber of Commerce, the organization of which we are celebrating today. The Paris Chamber of Commerce and the whole of France then gave us a wonderful reception, the recollection of which remains in our minds and was to us a great comfort during four terrible years of blockade, oppression and persecution. How often we Belgians recalled during those times the comforting recollection of the meetings of June, 1914. I should like to remind you of the splendid journey across France under the guidance of MM. David-Mennet and Ribes-

Christofle, when they took us through the Dauphine, Savoie and the Creusot workshops, which plants a short time after were of such importance and interest to us. I should like to say that during those four years of imprisonment, often very painful, these recollections helped us.

As I raise my glass to drink to the prosperity of the Paris Chamber of Commerce, not only in the name of my absent compatriots but in the name of all Belgians, of the entire Belgian nation and in the name of the other foreign delegations who are among us, I should like, if you will allow me, to suggest that you recall these recollections, and that we send to the families of your late presidents, MM. David-Mennet and Ribes-Christofle, a letter or telegram expressing our feelings of affection for their dear departed in memory of those days we spent together.

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APPENDIX A

Program of Organization Meeting

WEDNESDAY, JUNE 23, 1920.

GENERAL MEETING—2.30 P. M.

Place—Salle du Comite des Forges, 7 rue de Madrid.

Chairman—John H. Fahey, of the American Delegation.

Address of welcome:

Etienne Clementel, of the French Delegation.

Response by chairmen:

- a. Albert J. Hobson, of the British Delegation.
- b. Baron Leon Janssen, of the Belgian Delegation.
- c. Senator Vittorio Rolandi Ricci, of the Italian Delegation
- d. John H. Fahey, of the American Delegation.

Report of the Organization Committee on the adoption of temporary rules and the appointment of a temporary chairman, a vice chairman, a secretary and honorary secretaries:

John H. Fahey, Chairman, Organization Committee.

Adoption of temporary rules and appointment of a temporary chairman, a vice chairman, a secretary and honorary secretaries.

Appointment of committees:

- a. Resolutions.
- b. Raw materials
- c. Finance.
- d. Shipping.
- e. Production, distribution and unfair competition.

Procedure to be followed in filing resolutions.

THURSDAY, JUNE 24, 1920.

GENERAL MEETING—10.00 A. M.

Place—Salle Gaveau, 45 rue La Boetie

Chairman—John H. Fahey, of the American Delegation.

Appointment of committees:

- a. Resolutions.
- b. Raw materials.
- c. Finance.
- d. Shipping.
- e. Production, distribution and unfair competition.

Report of the Organization Committee on a constitution and rules for the International Chamber of Commerce:

John H. Fahey, Chairman, Organization Committee.

Adoption of the constitution and rules for the International Chamber of Commerce.

GENERAL MEETING—2.30 P. M.

Place—Salle Gaveau, 45 rue La Boetie.

Chairman—John H. Fahey, of the American Delegation.

Presentation of resolutions by the respective delegates and their reference to the Committee on Resolutions.

FRIDAY, JUNE 25, 1920.

COMMITTEE MEETINGS—9.30 A. M.

Finance—Salle du Comité des Forges, 7 rue de Madrid.

Shipping—Salle du Comité des Armateurs, 73 Bd. Haussmann.

Production, Distribution and Unfair Competition—American Chamber of Commerce, 32 rue Taitbout.

GENERAL MEETING—2.30 P. M.

Place—Salle Gaveau, 45 rue La Boetie.

Chairman—Albert J. Hobson, of the British Delegation.

Reconstruction.

- a. Addresses by representatives from each of the five delegations.
- b. General discussion.

SATURDAY, JUNE 26, 1920.

COMMITTEE MEETINGS—9.30 A. M.

Raw Materials—Comité Central des Houillères de France, 55 rue de Chateaudun.

Finance—Salle du Comité des Forges, 7 rue de Madrid.

Shipping—Salle du Comité des Armateurs, 73 Bd. Haussmann.

Production, Distribution and Unfair Competition—American Chamber of Commerce, 32 rue Taitbout.

COMMITTEE MEETINGS—2.30 P. M.

Raw Materials—Comité Central des Houillères de France, 55 rue de Chateaudun.

Finance—Salle du Comité des Forges, 7 rue de Madrid.

Shipping—Salle du Comité des Armateurs, 73 Bd. Haussmann.

Production, Distribution and Unfair Competition—American Chamber of Commerce, 32 rue Taitbout.

MONDAY, JUNE 28, 1920.

GENERAL MEETING—9.30 A. M.

Place—Salle du Comite des Forges, 7 rue de Madrid.

Chairman—Albert J. Hobson, of the British Delegation.

Finance.

a. Addresses:

1. Georges Picot, of the French Delegation.
2. On. Avv. Marco Cassin, of the Italian Delegation.

b. General discussion.

GENERAL MEETING—3.00 P. M.

Place—The Sorbonne, rue des Ecoles

Chairman—M. Millerand, Premier of France.

The economic situation in each of the five participating countries.

a. Introductory address:

Etienne Clementel, of the French Delegation.

b. Addresses:

1. Baron Leon Janssen, of the Belgian Delegation
2. Sir Arthur Shirley Benn, of the British Delegation.
3. Senator Vittorio Orlandi Ricci, of the Italian Delegation.
4. Willis H. Booth, of the American Delegation.
5. Eugene Schneider, of the French Delegation.

c. Address:

M. Millerand, Premier of France.

TUESDAY, JUNE 29, 1920.

GENERAL MEETING—10.00 A. M.

Place—Salle du Comite des Forges, 7 rue de Madrid.

Chairman—Senator Vittorio Orlandi Ricci, of the Italian Delegation.

Production, distribution and unfair competition.

- a. Addresses by representatives from each of the five delegations.
- b. General discussion.

GENERAL MEETING—2.30 P. M.

Place—Salle du Comite des Forges, 7 rue de Madrid.

Chairman—Senator Vittorio Orlandi Ricci, of the Italian
Delegation.

Raw Materials.

- a. Addresses by representatives from each of the five delegations.
- b. General discussion.

BANQUET—8.00 P. M.

Place—Salle des Fetes, Continental Hotel.

Entertainment of all delegates by the Organization Committee.

WEDNESDAY, JUNE 30, 1920.

GENERAL MEETING—10.00 A. M.

Place—Salle du Comite des Forges, 7 rue de Madrid.

Chairman—Louis Canon-Legrand, of the Belgian Delegation.

Shipping.

- a. Addresses by representatives from each of the five delegations.
- b. General discussion.

GENERAL MEETING—2.30 P. M.

Place—Salle du Comite des Forges, 7 rue de Madrid.

Chairman—Louis Canon-Legrand, of the Belgian Delegation.

Finance.

- a. Addresses:
 1. William Thys, for the Belgian Delegation.
 2. Fred I. Kent, for the American Delegation.
 3. Dr. Walter Leaf, for the British Delegation.
- b. General discussion.

Election of directors.

Report of Committee on Resolutions and action on same.

Adjournment.

APPENDIX B

Resolutions Adopted

1. RECONSTRUCTION.

WHEREAS, The International Chamber of Commerce regards the reconstruction of the devastated regions of France, Belgium and Italy as the most urgent and important matter to be undertaken without delay, and

WHEREAS, The International Chamber has taken note of the failure of Germany to reduce her army, and armed forces other than regular troops, to the level required by the Treaty of Peace; and also of the failure of the Germans to deliver the amount of coal and other supplies which they undertook to provide, and is of the opinion that the Germans have not as yet given any evidence of an honest desire to honor their signature to the Treaty of Peace;

Therefore, be it

RESOLVED, That the International Chamber of Commerce urge that the governments of the Allied nations clearly and definitely inform the German government that further postponement will not be permitted in carrying out the obligations Germany has undertaken regarding the restoration of the devastated areas and in fully complying with the terms contained in the Treaty of Peace.

And be it further

RESOLVED, That copies of this resolution be transmitted to the Premiers of the five Allied countries.

2. TAXATION.

RESOLVED, That the International Chamber of Commerce, in meeting duly assembled, composed of representatives of commercial and industrial organizations of the Allied countries, urges prompt agreement between the governments of the Allied countries in order to avoid that individuals or companies of any one country may be liable to more than one tax on the same income, taking into consideration that the country to which such individual or company belongs has the right to claim the difference between the tax paid and the home tax;

And further, That the Board of Directors make representations at once to the governments of the Allied countries concerned and endeavor to secure legislation in their respective countries to carry this resolution into effect.

3. GOVERNMENT EXPENDITURE AND PERSONNEL.

WHEREAS, Taxes have everywhere been increased by reason of vast war expenditures and also by reason of the great expansion of personnel required for governmental administration during the war and withdrawn from productive effort; and

WHEREAS, A business-like reduction of both personnel and governmental expenditure is urgently needed to reduce taxes and stabilize business, thus reducing the cost of living; and

WHEREAS, Chambers of commerce and other business and financial associations, both national and local, are peculiarly fitted to advise how best to effect these reductions promptly and efficiently, because they are combinations of the best trained business minds of their nation or community and also because their unbiased non-partisanship inspires public confidence; and

WHEREAS, It is believed that public administrators would welcome such non-partisan counsel respecting personnel and expenditure because it would relieve them of much detail and responsibility in and for reducing the number of employees and the amount of expenditure to an adequate peace basis;

Now, therefore, be it

RESOLVED, That the International Chamber of Commerce recommend that national and local chambers of commerce offer their services to their national or local governments for such business assistance and advice as non-partisan committees from their membership can readily afford in questions regarding the reduction of either national or local government expenditure or administrative personnel.

And be it further

RESOLVED, That such intimate collaboration between governments and their respective business organizations be actively encouraged, in order that public confidence may be revived and that labor and capital alike may be inspired to their greatest efforts to restore prosperity and plenty throughout the world.

4. FOREIGN CREDIT INTERCHANGE BUREAU.

RESOLVED, That the International Chamber of Commerce urge that the President and Board of Directors appoint a special committee to consider the advisability of establishing a foreign credit interchange bureau upon a reciprocal interchange basis with such countries as may desire to avail themselves of such service for their exporters and for the future development thereof.

5. CREDIT FACILITIES.

The International Chamber of Commerce believes that, during the period of reconstruction, it is the duty of sellers in all countries which fought together as Allies during the war to do everything consistent with business principles to extend to the very utmost credit facilities to buyers in the Allied countries.

6. FOREIGN BANKS.

The attention of the International Chamber of Commerce is drawn to the existing inequality of treatment accorded to foreign banks under the laws of the various nations.

The International Chamber, therefore, suggests the desirability of seeking practicable amendments to secure those advantages to be gained by reciprocal privileges.

7. UNFAIR COMPETITION.

WHEREAS, The study of appropriate means for preventing unfair competition in the different associated countries is the special business of legal experts; and

WHEREAS, It is necessary before making any decision to consider the laws, essentially different in this matter; and

WHEREAS, The reports submitted by the French, Belgian, Italian and English Delegations merit serious and deep study; Therefore, be it

RESOLVED, That the International Chamber of Commerce express the wish to see, among the first acts of the International Chamber, the creation of an appropriate body attached to each national bureau, and to be under the direction of an organization of a similar nature attached to the general headquarters; that the duties of said bodies shall be to study, from a legal point of view, all questions relating to unfair competition, industrial property, trade marks, names of origin and misleading indications, and to prepare the reports to be submitted to the general meetings, which reports shall be printed and transmitted to delegates 60 days prior to each general meeting.

8. CUSTOMS TARIFFS.

RESOLVED, That the International Chamber of Commerce urge that customs tariffs of the Allied nations be established upon the basis of a common nomenclature such as was adopted for the customs statistics of each country by the International

and Official Meeting held in Brussels in 1910-1913, with reservation as to any subdivisions, additions or modifications which may be found necessary;

And further, That the International Chamber recommend to the interested governments the establishment of a technical commission for the purpose of devising ways and means to be advocated for the unification of the customs legislation and regulations of the Allied nations.

9. EMBARGOES.

RESOLVED, That the International Chamber of Commerce express the wish that import and export embargoes should gradually be revoked as soon as the internal conditions of each country will permit; that in any and every case such embargoes should not apply to goods about which proof can be furnished that such goods were shipped or forwarded prior to the date on which such restrictions were enacted; that to provide for goods which could not be shipped prior to such date, but concerning which proof can be furnished that regular and lawful contracts had been entered into prior to said date, special licenses should be issued under strict supervision and guarantee; and that the procedure above outlined should be followed in territories under mandatory rules.

10. STATISTICS.

RESOLVED, That the International Chamber of Commerce recommend that the Board of Directors consider the advisability of establishing a central bureau of international statistics for the purpose of collecting, collating, analyzing and interpreting statistical information for the business interests of the world, in order to centralize and harmonize the data which should form the basis of all sound commercial policy; and

Be it further

RESOLVED, That the International Chamber urge that those agencies charged with the collection of commercial statistics take immediate steps to secure a greater degree of international uniformity in the classification of statistics and the methods of determining the values and the quantity units used in recording them, in order that it may be possible to secure information not now obtainable because of the lack of such uniformity.

11. RAW MATERIALS.

I. The International Chamber of Commerce considers that the first duty of producers in all countries in the world, in order

to reestablish the economic balance and to insure peace on a permanent basis, is to increase by every possible means the production of all raw materials that are necessary to the world economic life.

II. In order to facilitate the efforts of the producers and in order to help them to intensify production made all the more necessary by a greater shortage, the International Chamber of Commerce recommends the immediate creation of a statistical bureau, charged with the duty of keeping accurate and up-to-date statistics of production, the expected output, the probable needs, together with the movement of exports and imports in each country.

III. In order to conserve and increase the world's stock of fuel, the International Chamber of Commerce suggests that it be recommended to each country:

a. To hasten the utilization of hydro-electric power to the greatest possible extent;

b. To hasten the carrying out of the measures which tend to use the mineral fuel in the most scientific and economic way;

c. To develop to the utmost the research and the extraction of the coal and fuel oil resources of the world;

d. The American delegation representing petroleum calls attention to the facts: That the consumption of petroleum throughout the world is exceeding the production; that the consumption is constantly increasing; that the world is confronted with a serious shortage in the near future unless energetic efforts are made to increase production; that in their judgment sufficient undiscovered petroleum deposits exist in many parts of the world to supply present and future requirements; that curtailment of exploration and production is being caused by restrictive laws and regulations of many governments; that a free opportunity to all nationals to explore and develop the petroleum resources of the world wherever found, should be freely extended.

The American Delegation recommends that laws, regulations or administrative acts which tend to retard the development of the petroleum resources of the world should be repealed or revoked, and that equal privileges in all parts of the world be granted to nationals of all countries in the production of this great and useful natural resource so vitally essential to the world's progress.

IV. WHEREAS, Each of the Allied nations which fought so energetically and unitedly to bring the late war to a close

and thereby to free the world from the threatened oppression of their late enemies, is in possession of certain raw materials, in some instances in excess of their own immediate requirements;

Therefore, be it

RESOLVED, By the International Chamber of Commerce, that in the distribution of any surplus of such raw materials after the necessities of the producing countries have been met, special consideration should be given during the period of reconstruction to the necessities of the Allied nations.

V. The International Chamber of Commerce recommends the appointment of a committee to study the regime of raw materials during the period of normal economic balance, which regime shall be based upon the principle of economic fairness for all countries.

VI. WHEREAS, There is an eventual danger in discrimination as to prices of raw materials, creating monopolies to the countries which own them;

Now, therefore, be it

RESOLVED, That the International Chamber of Commerce direct the attention of governments and industrial and commercial people of those nations to the dangers of conflicts which may arise from such discrimination.

[Note: The British Delegation wish to record that while they regret the necessity for government control under present circumstances, they cannot recommend to their government any alteration of the present system until control can be entirely withdrawn.]

12. PORT FACILITIES.

CONSIDERING that the existing congestion of ports hinders the regular flow of import and export trade by reducing the utilization of available tonnage, thus contributing to maintain the high prices of all commodities; and

CONSIDERING, further, that it would be possible to remedy, to a certain extent, this situation by constantly keeping the interested parties informed of the exact conditions of ports able to participate in the international trade and of their possibilities of transportation to and from the interior;

The International Chamber of Commerce recommends to the Board of Directors of the International Chamber that a permanent committee be created by the International Chamber:

1. To study measures to be taken to facilitate all opera-

tions of vessels in the ports and particularly the transportation to and from the interior;

2. To centralize all information relative to the services which can be expected from the different ports and to distribute this information to the shippers, consignees and shipowners in the different countries represented;

3. That government as well as all other competent authorities of all the countries represented should be asked to take all necessary measures in their power to facilitate and hasten the operations in the different ports of each country.

13. TRADE TERMS.

CONSIDERING the inconveniences resulting to all interested parties from the different interpretations given to shipping terms and quotations such as F. O. B., C. I. F., etc., the International Chamber of Commerce recommends:

That the exact significance of these and all other terms used in international transportation and sale contracts should be codified and clearly defined in an "International Dictionary of Shipping and Quotation Terms" and be issued by the International Chamber of Commerce;

That the International Chamber of Commerce should take steps to secure the greatest publicity and utilization of such a dictionary; and further shall take appropriate steps to obtain the universal adoption of the definitions contained in said dictionary.

14. PASSPORTS.

CONSIDERING the serious obstacles the existing system of passports causes to the development of international traffic, and to the return to normal conditions of commerce between countries, the International Chamber of Commerce recommends:

That in all countries, members of the International Chamber of Commerce, the system of international passports should be promptly simplified, and, particularly, the period of validity of visas should be fixed at not less than one year and the cost charges both for the delivery and for the visa of passports be considerably reduced.

15. SUBSIDIES.

CONSIDERING the unsatisfactory results arising in the past from the system of subsidies, the International Chamber of Commerce recommends:

That all subsidy systems should be done away with, with the exception of shipping services or routes having a char-

acter of public necessity and/or routes which would be commercially unworkable by private enterprise.

16. MARITIME LAWS.

RESOLVED, That the International Chamber of Commerce recommend that the work of the International Maritime Committee for the unification of laws governing maritime commerce, interrupted by the European war, be resumed as soon as possible; and further,

That the Board of Directors, with this end in view, be requested to communicate with the International Maritime Committee.

17. INDEMNITIES.

WHEREAS, It is necessary to restore as soon as possible international credit, which is the first condition affecting the stabilization of economic relations between states; and

WHEREAS, International credit cannot be restored until the amount and the condition of payment of the debts of the different states,—allies and enemies,—shall have been fixed;

Now, therefore, be it

RESOLVED, That the Allied states agree as soon as possible to fix definitely the amount and conditions of payment in accordance with the stipulations of the Treaty of Peace.

18. RECONSTRUCTION.

WHEREAS, The reconstruction of the devastated areas in Allied countries will require the importation of great quantities of raw materials, and further large importations will be needed by the undestroyed portions of such countries which were formerly supplied either directly from devastated areas or through the proceeds of exportation from such areas; and

WHEREAS, This abnormal situation has of necessity turned the current trade of such countries against them, which has resulted in a great depreciation of their foreign exchange accompanied by wide fluctuations in foreign exchange rates; and

WHEREAS, Such depreciation of exchange interferes seriously with the importations to such countries, particularly from countries across the sea, and because of violent fluctuations in exchange, with foreign trade between each other; and

WHEREAS, The only effective means of correcting the depreciation and wide fluctuations in exchange lies in removing the

cause for such a condition; that is, by the return to a normal relationship between imports and exports; and

WHEREAS, It is to the interest of all nations to have such unnatural barriers against the world's trade removed;

Therefore, be it

RESOLVED, That the International Chamber of Commerce request governments and banking, commercial and industrial associations and bodies in all countries concerned to cooperate with it and with each other where possible along the following lines:

1. To reduce the importation of non-essentials into countries with depreciated exchanges.

2. To increase the exportation from such countries by:

a. A careful detailed study of the export possibilities of each country and of the foreign markets for its products;

b. By ascertaining the reason why exportable commodities in such countries have fallen below pre-war quantities; or are not being shipped in present available quantities;

c. The elimination of every such obstacle to exportation of every exportable commodity in so far as possible;

d. Where lack of coal and of raw materials constitutes the principal difficulty in the way of exportation endeavor to negotiate credits covering the importation of such essentials, which will be paid for from the proceeds of the exportations thus made possible;

e. Where such coal and raw materials are required by factories manufacturing essentials for home consumption, arrange credits to be paid from the proceeds of exchange to be purchased in the market wherever it can be done through safe channels, as such operations all tend to strengthen the foreign position of the country concerned as the cost of manufacturing in foreign money is saved.

f. Endeavor to arrange credits payable when goods are turned over in constantly increasing volume for the purpose of increasing credit and reducing foreign exchange expenses to a minimum.

g. Exercise every means possible to obtain the hearty co-operation of every citizen to prevent: (1) delay in the turn around of ships; (2) delay between ships and trains; (3) delay in transportation by rail; (4) the holding back of mineral products; (5) diminution in production through lost days of labor.

For it is to the interest of every citizen that regular production and transportation shall prevail; for when they do so,

higher prices and depreciated exchanges are certain of correction.

3. To restrict in so far as possible countries with depreciated exchanges issuing foreign loans, with their consequent increases in annual interest payments in foreign currencies, where the proceeds are going into high priced commodities not strictly essential.

4. To induce foreign investment in home industries.

5. To encourage tourists from foreign countries by removing all unnecessary restrictions and increasing facilities for their care when necessary, since their expenditures in a country represent an export.

6. To be ready to take advantage of foreign money markets when available and desirable, particularly with the idea of placing long-time loans, the proceeds of which may be used to reconstruct devastated districts, where it will result in increased production with its many benefits represented in greater governmental taxing power and a better foreign financial position;

And be it further

RESOLVED, That it is the carefully considered opinion of this body that it is desirable for all nations that the devastated areas of Allied countries be reconstructed as rapidly as financial and physical conditions make possible; and with this end in view it is hoped that the furnishing of raw materials for this purpose and of credits to cover their cost and transportation will be considered a first call upon the money markets of the world.

19. EXCHANGE.

WHEREAS, The depreciation of exchange in most countries constitutes an essential hindrance to the restoration of business relations between the different nations of the world; and

WHEREAS, The wide fluctuation in exchange is even more injurious to all interests than the depreciation of exchange; and

WHEREAS, The depreciation and the instability in the rates of exchange are due not only to the unfavorable economic situation resulting from the war in the countries which were its victims, but also because of a general lack of confidence in, and knowledge of, the real conditions existing in certain countries where exchange is depreciated;

Therefore, be it

RESOLVED, By the International Chamber of Commerce, that a special committee be appointed:

1. To study the respective situation of each of the inter-

ested countries, from an economic and financial point of view, in order to determine the actual value of the money in such countries.

2. To study the measures to be taken in order at least to improve the rates of exchange if not possible to restore their stability.

20. BANKING FACILITIES.

WHEREAS, The transmitting of money or credit, particularly in small amounts, to or from any of the nations represented at this the organization meeting of the International Chamber of Commerce, or to or from any of the nations created by the Peace Treaty, is often attended with delay and serious inconvenience;

Now, therefore, be it

RESOLVED, That the attention of the Board of Directors of the International Chamber be called to this situation, and further, that the Board be requested to consider the matter.

21. CALENDAR REFORM.

RESOLVED, That in the opinion of the delegates assembled in this the organization meeting of the International Chamber of Commerce, the Board of Directors of the International Chamber should consider the question of taking steps to summon an international conference for the purpose of adopting a fixed date for Easter and considering the reform of the calendar.

Resolutions Referred to Board of Directors

22. WEIGHTS AND MEASURES.

WHEREAS, The International Chamber of Commerce has adopted as its first principle a policy of hearty world cooperation; and

WHEREAS, There does exist at the present time a bewildering confusion in the weights and measures of the Allied nations; and

WHEREAS, This confusion and waste during the world war was an element of serious inconvenience and in time of peace acts as an obstacle to efficient world cooperation;

Now, therefore, be it

RESOLVED, That the International Chamber of Commerce in meeting duly assembled urge world uniformity of units of weights and measures as a means of facilitating commerce

through coordination, standardization and simplification; and further that the British Empire and the United States of America forthwith standardize on the metric system solely.

23. STATISTICS.

In view of the fact that commercial statistics now accessible to business men concern themselves almost exclusively with the prices and movement of securities and of raw materials, to the neglect of those finished products whose distribution alone provides the ultimate satisfaction of those needs which are the sole incentive to industry and trade, the Committee on Production and Distribution of the organization meeting of the International Chamber of Commerce earnestly recommends to the International Chamber that a concerted effort be made to induce the commercial organizations of the countries represented in the membership of the International Chamber to further the collection of statistics of the production of finished goods, and the quantities of such goods in the hands of the manufacturers, manufacturer's agents and merchants.

24. PRODUCTION.

On account of the serious world shortage of certain classes of commodities, especially those urgently required for the rehabilitation of the war devastated areas in the various countries, the International Chamber of Commerce urges that no steps be taken by any class of the community which will directly or indirectly tend to restrict production.

25. CLEARING HOUSE.

The delegates assembled in this the organization meeting of the International Chamber of Commerce express the wish that the International Chamber create within its own body a clearing house for goods to facilitate the exchange of goods through compensation in order to lessen the cost of transport, the monetary circulation between Allied countries and the financial costs of the transactions.

26. CAPITAL AND LABOR—COOPERATION.

WHEREAS, For the first time since the world war the commercial bodies of the several Allied nations are regularly represented in this the organization meeting of the International Chamber of Commerce; and

WHEREAS, The experience of the war demonstrated the dependence of industry upon the joint effort of the worker, investor and manager; and that it was only by the whole-hearted cooperation of all these elements that the needed quantities

of materials could be produced for the triumph of the cause of democracy; and

WHEREAS, As a result of the successful issue of the war and in consideration of its loyal endeavors labor has commendably come to aspire not alone for a better standard of living, but for a larger influence in industry, just as the whole historical movement has been toward participation by larger and larger numbers in affairs; and

WHEREAS, The workers collectively represent the largest element of the consuming public and that any influence which results in higher costs or higher prices reacts most immediately and painfully upon the workers themselves, whether the cause be profiteering either by investor or by laborer or any other influence, and thereby not only their standard of living is reduced but also their purchasing power as a market for the products of all industry, which further reacts in diminished employment; and

WHEREAS, The reduction of prices and of the cost of living without proportionate reduction in wages is a desideratum in the general interests; and

WHEREAS, Such improvement in living costs and conditions can only be accomplished through increasing production (without proportionately increasing the cost of production); and

WHEREAS, In morals and in economics it is the duty of every man to exercise to the full his nature-given faculties and talents in producing according to his ability, and it is his right to be rewarded accordingly and to find his satisfaction in his work; and

WHEREAS, Increased production requires improved relations between employer and employed, involving more skillful recognition of the aptitudes and capacities of men for particular duties and bettered methods of training and education for the duties to be performed, as well as more certain methods for assuring just compensation; and

WHEREAS, The most immediate avenue through which the desired improvement may be reached lies in the joint effort of worker, investor and management of the existing enterprises in order that the whole consuming public may be benefited;

Now, therefore, be it

RESOLVED, That we, the representatives of commerce assembled in this the organization meeting of the International Chamber of Commerce, recognizing the foregoing truths and desiring to hasten the movement, recommend to the Board of Directors the establishment of a system of international ex-

change of information concerning the progress of personnel study, plant education, and all kindred subjects which have for their object adoption generally of means for giving to all workers in an undertaking a direct, tangible and personal interest in the conditions under which it is carried on and in the results of its operations; and, further, that means be provided for a constant study of methods designed to mitigate, if not to entirely eliminate, the acknowledged injustice of unmerited unemployment, and, further, that in the study of these subjects the interest, advice and cooperation of labor be cordially invited.

27. STATISTICAL BUREAU.

RESOLVED, That the International Chamber of Commerce establish forthwith a bureau, the purposes of which shall be:

1. To collect data from members, through their national organizations, and from other sources, regarding commodities available for immediate export, including both raw materials and finished products, together with such details as may be required to bring producers or exporters into touch with foreign inquirers;

2. To transmit such information to members through their national organizations, or directly to those interested, to the end that the bureau may become a clearing house for such data;

3. To collect information regarding export and import restrictions and regulations effective in the various countries and to distribute the same to members, in terms understandable to them, through their several national organizations or otherwise;

4. To concern itself with the removal of unnecessary hindrances to trade and with the freer exchange of commodities;

5. To encourage the coordination of important industrial fairs, and to so cooperate that the buyers of the world may be attracted to them;

And be it further

RESOLVED, That the International Chamber of Commerce undertake at once to marshal statistics regarding the world's supply of food and of essential raw materials and to place such statistics before suitable authorities for the purpose of assisting those authorities to effect a just and appropriate allocation of such food and essential raw materials in such manner as to assure to every producing nation a minimum of its needs, to the end that there may be a possibility both of employment and of stability of government, and without which there can be no adequate production and no adequate commerce.

APPENDIX C

Constitution of the International Chamber of Commerce

ARTICLE I

NAME AND PURPOSE

1. This association shall be known as the International Chamber of Commerce, and hereinafter is referred to as the International Chamber.

2. The purpose of the International Chamber is to facilitate the commercial intercourse of nations, to secure harmony of action on all international questions affecting commerce and industry, and to promote peace, progress, and cordial relations among countries and their citizens by the cooperation of business men and their organizations devoted to the development of commerce and industry.

3. The International Chamber is a confederation of the main economic forces of the countries included in its membership, united in each country by a national organization.

Its principal features are

A board of directors,
General meetings,
National organizations,
International headquarters.

Its means of action are

Conferences of experts,
Referenda,
Inquiries of economic nature and publication of the results thereof,
Such other agencies as may from time to time be found desirable.

ARTICLE II

MEMBERSHIP

1. National and local commercial, financial and industrial organizations which are representative of the interests they embrace, which are not conducted for individual profit or partisan purposes, and which are established in countries which may from time to time be designated by the Board of Directors as hereinafter provided, are eligible for organization membership.

2. Individuals, firms and corporations engaged in business

activities in countries the organizations of which are eligible to membership are eligible for associate membership.. Duly elected associate members in good standing shall be entitled to attend general meetings and, subject to the rules of such meetings, shall have the privileges of the floor, but may not vote. They may also receive publications issued by the International Chamber.

3. Organization or associate members of each national organization may be elected organization or associate members of the International Chamber of Commerce if they fulfill the following conditions:

- a. To be proposed for election by the national organization of the country.
- b. To be accepted by the Board of Directors of the International Chamber in accordance with the rules laid down in the Constitution and By-Laws.

ARTICLE III

BOARD OF DIRECTORS

1. The Board of Directors shall consist of:
 - a. Three persons chosen from each of the five foundation countries, viz.: Belgium, France, Great Britain, Italy and the United States.
 - b. Of such directors, if any, from countries hereafter represented in the membership as may be determined by the Board as hereinafter provided.
 - c. Additional directors selected by the Board as hereinafter provided.
2.
 - a. In each of the five foundation countries where an appropriate comprehensive national organization exists, and is a member of the International Chamber, it shall elect three members of the Board, in the first instance one for one year, one for two years, and one for three years, and thereafter for terms of three years, and for like terms shall also elect an alternate for each of the three members.
 - b. In each of the five foundation countries where a single comprehensive national organization does not exist, the organizations holding membership in the International Chamber shall organize a national committee, by such method

as is best adapted to the conditions existing in that country, provided such national committee is truly representative of the principal economic forces of the country. Such national committee shall constitute the national organization and shall elect the three directors for that country as in the case of a single organization as previously specified in this section.

- c. In the case of new countries, the business organizations of which are hereafter admitted to membership, the directors from such countries, if any, shall be elected under rules and regulations prescribed by the directors of the International Chamber in applying the principle contained in subdivision (b) of part 1 of this Article.
- d. At least six months in advance of the date fixed for the general biennial meeting, the national organization of each country shall select the director or directors to represent that country for the terms following the next general meeting and shall promptly report the selections to the General Secretary.

3. In the absence of a director from any meeting of the Board, his alternate shall have full powers as a member of the Board. In the event that neither a director nor his alternate can attend a meeting, they shall notify the national organization electing them, which may designate a temporary substitute who, while so acting, shall have the full powers of a member of the Board.

4. The Board of Directors may select not more than seven additional directors at large from countries not represented in the Board as chosen in accordance with the preceding provisions of this Article. Such additional directors at large shall serve for terms of two years, which terms shall expire coincident with each general meeting.

5. At the organization meeting in June, 1920, the organization group for each country in the Committee on Permanent Organization shall select three representatives and three alternates from their respective countries, who shall constitute the Board of Directors until the next general meeting, and until their successors have been duly selected and have qualified, as provided in this Constitution.

6. The Board of Directors shall have power:

- a. To determine the countries in which organizations shall be eligible to membership: *Provided*, that as a condition to eligibility for membership, the business organizations in any country, other than the five foundation countries, hereafter requesting membership, shall have created a comprehensive national organization or a national committee, similar to those specified in subdivisions (a) and (b) of Section 2 of this Article and shall have paid into the organization fund of the International Chamber a sum to be determined by the directors of the International Chamber as properly proportionate to the sums heretofore paid into said organization fund by the five foundation countries.
- b. To determine the number of directors to which such countries shall be entitled, if any: *Provided*, that there shall not be more than two directors allowed to any such country.
- c. To determine any question relative to eligibility of applicants for membership in the International Chamber, subject to appeal to the next general meeting.
- d. To receive applications for membership, to require such information as they may desire relative to the applicants, and to elect such applicants to membership as shall have complied with the provision of this constitution relative to applications and as will in the judgment of the Board tend to advance the purpose of the International Chamber: *Provided*, that if a national organization to which an application is submitted fails to approve it within four months, the applicant may submit the application directly to the Board of Directors with a statement of the circumstances; the Board of Directors shall require from the national organization a complete report regarding the matter, and shall have power to act at the next meeting of the Board upon special notice to the directors representing the country in which the applicant in question is located.

- e. To receive suggestions from members for subjects to be considered at general meetings, and to determine the agenda for such meetings.
- f. To fix the date and place of the general meeting accordingly as either has not been fixed by the meeting.
- g. To appoint a program committee to make and carry out the arrangements for each general meeting, subject to the approval of the meeting as to order of items of business.
- h. To appoint such other committees as it may consider necessary.
- i. To choose and fix the compensation for the General Secretary of the International Headquarters and its staff, and to direct the conduct and activities of the International Headquarters.
- j. To determine any question relative to interpretation of these articles, subject to appeal to the next general meeting.
- k. To decide on all routine questions which do not call for consideration by a general meeting, or for a referendum.
- l. To adopt rules and regulations for the conduct of the International Chamber not inconsistent with this constitution.

7. The Board of Directors shall administer the affairs of the International Chamber, shall vigorously prosecute its objects, and shall seek in all proper ways to advance the policies which are determined at general meetings or through referenda.

8. The Board shall determine its own procedure. It may transact business by mail or cable without assembly of its members, but upon request of six or more members from at least three countries, the chairman shall call a meeting of the Board. No meeting shall be held upon notice of less than 60 days unless members of the Board duly waive such notice. At all meetings a quorum shall be composed of a majority of the directors, the directors in attendance to be from at least half of the countries which have selected members of the Board. The General Secretary of the International Headquarters shall attend all meetings of the Board and be its secretary.

9. The Board of Directors shall transmit annually, through the national organizations, to the membership, a re-

port of actions it has taken with respect to the affairs of the International Chamber, and shall submit to each general meeting a statement of the International Chamber's membership, a statement of the condition of its finances, and a report of the steps taken to advance its policies, and the progress made.

ARTICLE IV

EXECUTIVE COMMITTEE

The Board of directors shall select from among themselves an Executive Committee of the Board and shall appoint the chairman thereof: *Provided*, however, that in selecting the members of the Executive Committee the Board shall at all times include one representative of each of the five foundation countries, viz., Belgium, France, Great Britain, Italy and the United States. This Executive Committee shall consist of seven members, of which four members shall constitute a quorum. The Board may delegate to the Executive Committee such powers of the Board as the directors may from time to time determine.

ARTICLE V

PRESIDENT AND VICE PRESIDENTS

1. The Board of Directors shall biannually elect for a period of two years a President and not more than four Vice Presidents of the International Chamber either from among the members of the Board, or from persons other than members of the Board.

2. The President shall be the Chairman of the Board, shall preside at all meetings of the International Chamber, and shall enjoy the rights and privileges of a delegate. He shall perform such other duties as are usual for such an officer.

3. The President and the Vice Presidents when selected from persons other than members of the Board shall be *ex officio* members of the Board of Directors and shall be eligible for reelection.

4. If the President is necessarily absent from any meeting over which he would preside, or is necessarily prevented from performing any other duty of his office, he shall designate a Vice President to act in his stead. In the event of the President's disability or death, the Vice President who is senior in point of service in that office shall act as President until the President's disability ceases or the board elects a successor.

ARTICLE VI

GENERAL MEETINGS

1. A general meeting of the members of the International Chamber shall be assembled at least once in two years. If a general meeting does not fix the date and place of the next meeting, the date and place shall be fixed by the Board of Directors. Notice of all meetings shall be given at least six months in advance and the agenda shall be communicated to all members at least four months in advance.

2. Each organization member of the International Chamber is entitled to be represented by delegates at all meetings in accordance with Section 4 below, and each delegate in attendance shall have one vote. A quorum shall exist if there are registered or in attendance one-third of the delegates to which organizations in the membership are entitled and such registered delegates represent member organizations in at least two-thirds of the countries.

3. Except as otherwise provided herein, the votes of a majority of the delegates registered as present shall determine questions before a meeting: *Provided*, that the delegates from at least two countries may ask for a vote by nations and a two-thirds vote by nations which ratifies a previous vote by delegates shall be final. In the event the previous vote by delegates is not ratified through such vote by nations the previous vote by delegates shall be deemed rescinded and the question, unless withdrawn, shall be submitted to referendum in the manner provided in Article IX or placed upon the agenda of the next meeting, as may be determined by the Board of Directors. In a vote by nations, the vote of each nation shall be determined by a majority of its delegates registered as present, and the vote of each nation represented in the organization membership and not so determined shall be cast in the negative by the secretary of the meeting.

4. Each organization member shall be entitled to be represented by a number of delegates determined in accordance with its membership, but not to be less than one nor more than ten. The number of delegates to which each organization in a country will be entitled shall be recommended to the Board of Directors by the national organization of the country. The Board of Directors shall determine the number of delegates to which an organization is entitled, and when the relative importance of the organization is not properly measured by its membership, the Board shall fix the number of delegates not to exceed ten in accordance with the importance of the or-

ganization. In general, the number shall be determined on the basis of one delegate for each 200 members up to a maximum of ten delegates.

5. Governments of countries represented in the membership may be invited to have present at a meeting delegates designated by the governments. No government may have more than three such delegates. Government delegates shall have the privileges of the floor, subject to the rules of the meeting, but may not vote.

6. The agenda for a general meeting shall be determined by the Board of Directors and shall be distributed to the members of the International Chamber not less than four months before the date of the meeting. If three or more organization members object to consideration of any item in the agenda, the question of consideration shall be decided by the meeting, and the votes of a majority of the delegates registered as present shall be determining. The meeting shall not take action upon any subject not contained in the agenda but, by a vote of two-thirds of the delegates present on the floor, may discuss a subject not in the agenda but consistent with the general purposes of the International Chamber, and may by a similar vote refer it to the Board of Directors for submission to referendum in accordance with Article IX or for inclusion in the agenda for the next meeting.

7. Resolutions determining the attitude of the general meeting upon a question of principle may be adopted only by a two-thirds vote of the delegates registered as present.

8. The President shall preside at all meetings of the International Chamber. The records of all meetings of the International Chamber, its Board of Directors, and its committees shall be deposited with the International Headquarters and all decisions made by the International Chamber shall be placed before the Board of Directors for its action as the permanent executive body of the International Chamber.

9. At the earliest moment possible after the close of a general meeting the Board of Directors shall, through the International Headquarters, transmit to each member of the International Chamber a resume of the proceedings together with a complete statement of the policies adopted.

10. Upon receiving the resume and statement described in the preceding section, and upon receiving a statement of the result of a referendum which in accordance with the provisions of Article IX determines the attitude of the International Chamber upon any question, each organization member shall

bring the subject to the attention of any public authority within whose competence it lies and in other appropriate ways shall seek to have action taken in its country, to the end that early uniformity may be obtained in all countries represented in the Chamber's membership.

From time to time each national organization shall submit a report of progress to the General Secretary of the International Chamber.

ARTICLE VII

INTERNATIONAL HEADQUARTERS

1. The International Headquarters shall have a General Secretary and staff chosen by the Board of Directors and in all respects shall be subject to direction and control by the Board of Directors.

The Board of Directors shall immediately fix upon a temporary location for the International Headquarters, and shall decide upon the permanent location as soon as possible, reporting its decision to the next general meeting of the International Chamber of Commerce.

The General Secretary of the International Headquarters shall conduct the International Headquarters and be responsible therefor to the Board of Directors.

2. There shall be an Administrative Commission, of which the General Secretary of the International Headquarters shall be chairman and which shall be a part of the International Headquarters. The members of the Administrative Commission shall be chosen in the following manner:

The national organization in each country having members in the International Chamber shall be entitled to select a member of the Administrative Commission. The members of the Administrative Commission shall be resident at the seat of the International Headquarters, shall be available for conference with the General Secretary respecting duties placed upon him by the Board of Directors and these Articles, shall make available to him information and advice regarding their respective countries, shall make representations to him concerning the special interests and problems of their respective countries, shall keep closely informed upon the progress in their respective countries of the policies of the International Chamber and shall perform such other duties in the operation of the International Headquarters as the General Secretary may prescribe. Upon request of the General Secretary with respect to any question within his discretion, the Ad-

ministrative Commission shall meet and make its recommendations.

3. When the parties to a contract bearing on international commerce agree to submit to arbitration a difference of opinion due to the execution of such contract, they may choose as an arbitration board one or several of the members of the Administrative Commission, who shall act as an arbitration board. The decision of the arbitration board shall be submitted to the General Secretary who shall forthwith transmit it to the parties concerned.

4. Within fifteen days preceding any meeting of the Board each member of the Administrative Commission shall submit to the General Secretary a written report regarding the progress of the International Chamber's policies in his country and his suggestions for further procedure. These reports shall be presented by the General Secretary at the meetings of the Board.

5. The International Headquarters shall, subject to the direction and control provided above:

- a. Centralize data concerning economic and social conditions, the facts of production and requirements, the possibilities of future production and requirements;
- b. Act as coordinating instrumentality for suggesting regulations and legislative measures to facilitate and encourage economic intercourse;
- c. Place at the disposal of members and of official agencies reports and conclusions which may be issued in accordance with these Articles;
- d. Inform public opinion through publication of facts concerning business and economic conditions.

6. It shall be the duty of each organization member of the International Chamber to place the General Secretary of the International Headquarters upon its mailing list to receive all of its publications.

ARTICLE VIII

NATIONAL BUREAUS

1. In each country represented in the membership on the International Chamber, the national organization provided for in Section 2 of Article III shall undertake to establish a national bureau.

2. The purpose of the national bureau is to maintain con-

stant relations with the International Headquarters and to cooperate with it.

3. The national organization in each country shall prescribe appropriate rules and regulations for the creation, operation and financing of its national bureau.

ARTICLE IX

REFERENDA

1. The Board of Directors may in the interval between general meetings, but never during the nine months which next precede any one of these meetings, request the national organizations to submit certain matters to referendum in order to obtain in their respective countries the opinions of organization members of the International Chamber of Commerce on questions which appear to the Directors to be of general and immediate interest.

2. The Board shall join to its request a short and precise analysis of the question, pointing out impartially the arguments for and against, and fixing a time limit for sending in of replies.

3. The national organizations shall collect the opinions of the organization members and forward them to the International Headquarters. The International Headquarters shall assemble these opinions and shall submit to the Board for its approval the form of communication setting forth the results of the inquiry, to be promulgated to the members of the International Chamber and to public authorities through the national organizations. The vote upon a referendum shall not decide the action of the International Chamber except by two-thirds of the opinions expressed by at least three-fourths of all possible votes representing at least a majority of the countries. When approved by the Board, this communication shall be so promulgated, shall state the number of votes received, and shall sum up, according to their nature, the opinions expressed.

ARTICLE X

DUES

1. The annual dues of each organization member shall be 300 francs if it is entitled to one delegate and 500 francs for each additional delegate to which it is entitled under the provisions of Article VI. In all cases the dues shall be determined by the number of delegates to which an organization is entitled

and regardless of the number by which it may actually be represented at any general meeting.

The dues of each associate member shall be 300 francs.

2. Remittance of dues for the first year shall be transmitted with each application to the Board of Directors, computed upon the basis of the number of delegates recommended by the national organization. Compliance with this requirement shall be a condition precedent to election to membership. If the Board of Directors modifies the representation as recommended by the national organization, the dues paid for the first year shall be adjusted upon the modified basis. Thereafter, the annual dues shall be payable to the General Secretary of the International Headquarters in the month of January of each year through the national organization for the country in which the member is located. No credit shall be given for any part of the first year of membership which had elapsed before election to membership.

3. The national organization in each country may add to the amount of dues payable to the International Chamber a reasonable proportionate assessment for each member of the International Chamber in its country to defray the expense of operating the national bureau, and the maintenance of the Administrative Commissioner and his staff at the International Headquarters.

4. Economic and educational institutions of the countries represented in the membership of the International Chamber may, upon the recommendation of the national organization of their respective countries, receive the publications of the International Chamber, upon payment, however, of an amount similar to the dues for associate membership, viz. 300 francs annually.

ARTICLE XI

TERMINATION OF MEMBERSHIP

1. Any organization or associate member whose adherence to its national organization is terminated for any reason shall *ipso facto* be eliminated from the list of members of the International Chamber.

2. Any organization or associate member may terminate its membership in the International Chamber by resignation, provided:

- a. That the resignation is presented through its national organization, and

- b. That the annual dues for the year in which the resignation is presented and is to take effect are fully paid.

3. The Board of Directors upon its own authority may terminate the membership of any organization or associate member, provided:

- a. That in the judgment of three-quarters of the total number of Directors such termination of membership is required in the best interests of the International Chamber.
- b. That such action be taken at a regular meeting of the Directors, of which meeting and contemplated action at least sixty days notice shall have been given to the Directors, the member concerned and to its national organization, in which notice the cause for such contemplated action shall have been stated.
- c. Any such termination of membership shall take effect sixty days after the date of the Board meeting at which the action is taken and the International Chamber shall refund to the member concerned the amount of dues paid for the current year, proportionate to the portion of the year following the date of action by the Board. Official notice of the termination shall be forwarded to the member through its national organization.

4. a. Within thirty days after the member concerned has received such official notification of termination of membership, it may file with the General Secretary, through its national organization, an appeal to the general meeting from the decision of the Board.
- b. Any such appeal when duly filed shall be placed in the agenda and considered at the next general meeting, provided that the appeal has been accompanied by payment of a sum equal to the dues which would be otherwise payable up to the date of the next general meeting.
 - c. Pending the determination of the appeal by the general meeting the action of the Board shall be suspended.
 - d. The member concerned shall be notified promptly

of the decision of the general meeting through its national organization. In the event the general meeting ratifies the action of the Board in terminating the membership, the member concerned shall be immediately stricken from the lists of members and no refund of dues shall be made.

5. If any organization or associate member fails to pay the current annual dues before April 1, notice of delinquency shall be sent to such member through its national organization. If the dues remain unpaid on June 1, the Board of Directors may terminate the membership for non-payment of dues and strike the name from the list of members.

ARTICLE XII

AMENDMENTS

The Board of Directors may propose amendments to these Articles by including consideration of such amendments in the agenda for any general meeting, or may submit amendments in referenda in the manner provided in Article IX. Any amendment so proposed shall be effective upon adoption by a vote of two-thirds of the delegates registered as present at the meeting in question or, if the submission is by referendum, upon adoption by the vote required by Article IX for adoption of any other subject submitted to referendum.

APPENDIX D

Rules of the International Chamber of Commerce

BIENNIAL AND OTHER ELECTIONS

In the case of the President and of other officers to be elected biennially, the term of office shall begin with the date of election and shall extend for twenty-four calendar months and thereafter until a successor is duly elected: *Provided*, that upon the adjournment of each general meeting the Board of Directors shall assemble immediately and proceed to elect the officers for the following year.

When the terms of office are expressed in years or other divisions of time they shall extend for the proper calendar period and thereafter until successors are duly appointed.

July 1 shall be the beginning of the fiscal year and shall be the date from which reckoning is made, unless it is specified to the contrary.

GENERAL MEETINGS

1. When a committee is appointed by the general meeting, its membership shall be fairly divided among the countries represented by delegates at the meeting.

2. Each resolution introduced on a subject of principle shall be offered by a delegate on behalf of the organization he represents and not upon his individual responsibility.

3. There shall be a Committee on Resolutions to which all resolutions which are introduced and which are pertinent to the agenda shall be referred without discussion. The Resolutions Committee shall report respecting each resolution, but it may recommend substitutes either for individual resolutions or for groups of resolutions. If the Committee reports unfavorably upon any resolution, or offers a substitute, the delegate introducing the original resolution may appeal to the meeting.

4. At any time general debate respecting a subject not on the agenda has continued for thirty minutes, any delegate may offer a motion for the previous question, and this motion may not be debated except for two speeches made to the motion and not exceeding five minutes each, one for and one against; if a majority of the delegates actually present on the floor vote in favor of this motion, there shall be no further debate upon the subject, and any pending question regarding it shall forthwith be put to the meeting by the presiding officer, and decision shall be made without discussion.

5. When a motion has been carried or lost, any delegate who voted with the prevailing side may within 24 hours file with the Secretary a written motion for reconsideration signed by such delegates as join in the motion and setting out briefly the reasons for asking reconsideration. If at least ten delegates in the aggregate, representing organizations in at least two countries, join in the motion, announcement of the motion shall be made at the beginning of the following session and not less than an hour thereafter the motion shall be duly put. If the motion is sustained by a majority, two-thirds, or any other vote required for the action which it is proposed to consider, the proceedings upon the subject shall be deemed rescinded and consideration shall begin *de novo*. If a motion to reconsider is made upon the last day of the meeting, it shall be dealt with forthwith, and upon its adoption the subject in question shall be immediately reopened.

6. If any action requires a two-thirds or other vote than a majority, all motions with respect thereto shall be carried only by a similar vote.

7. The proceedings of each day shall be placed in print and distributed to all delegates as promptly as possible.

8. The official languages used at meetings and in publications shall be those of the five foundation countries, and addresses, motions, or remarks made in one language shall at once be summarized in the others.

9. No delegate may address the meeting without previously having asked and obtained recognition for that purpose from the presiding officer. Delegates shall be afforded opportunity in the order in which they have signified their desire to speak: *Provided*, that if a question is being advocated and opposed, the presiding officer shall, in so far as possible, grant recognition alternately to advocates and opponents.

10. No delegate may address the meeting more than once on the same subject during the same general discussion except by unanimous consent, and no delegate shall address the meeting upon subjects not relevant to the agenda, or otherwise properly before the meeting, or upon subjects not connected with the general purposes of the International Chamber of Commerce.

11. A point of order may be made by a delegate at any period in the consideration of any subject and shall be decided immediately by the presiding officer in accordance with the Constitution and Rules of the International Chamber.

REFERENDA

1. In submitting questions to referendum, the Board of Directors shall have separate editions prepared in each of the official languages, which editions shall be uniform in contents and form, and shall make the submission to the national organization or otherwise as provided in Article IX of the Constitution in the official language which has been designated by the member of the Administrative Commission from the country in question: *Provided*, that when organization members in a country are entitled in the aggregate to twenty or more votes the Board of Directors in its discretion may order an appropriate edition in the language customarily used for business purposes in that country.

2. To facilitate comparisons of the opinions filed and determination of the International Chamber's position, the Board of Directors shall have placed in the pamphlet a ballot summarizing the question submitted and affording opportunity for each organization member to vote in the affirmative or in the negative.

3. A national organization in submitting a referendum received from the Board of Directors shall in the pamphlet it publishes for that purpose use the form and contents of the pamphlet received from the Board of Directors, and shall not make additions or subtractions.

4. The International Headquarters may record opinions received by cable: *Provided*, that such cable messages are followed immediately by confirmation and formal ballot sent by mail and received by the General Secretary of the International Headquarters within a period of eight weeks from the day when time for recording opinions expires.

APPENDIX E

List of Delegates in Attendance

BELGIUM

- BARON JANSSEN**, Brussels;
Vice Governor of the Societe Generale of Belgium.
- JULES CARLIER**, Brussels;
President of the Central Industrial Committee.
- LOUIS CANON-LEGRAND**, Mons;
Honorary President, Chamber of Commerce of Mons.
- ALEXANDRE DE GROOTE**, Antwerp;
Vice President, Chamber of Commerce of Antwerp.
- EMILE DELANNOY**, Brussels;
President, Chamber of Commerce of Brussels.
- GENERAL BARON EMPAIN**, Paris, France;
Banque Empain.
- PAUL VAN DEN VEN**, Brussels;
Representing the Belgian Minister of Finance; Member of
Faculty, University of Louvain.
- GEORGES BLOCK**, Antwerp;
Former Treasurer and Secretary General of the Chamber
of Commerce of Antwerp; Former President of the
Coffee Section of the Antwerp Chamber of Commerce.
- ALFRED DE BROUCKERE**, Antwerp;
President of the Wood Section of the Chamber of Com-
merce of Antwerp.
- ROBERT DE DECKER**, Antwerp;
President of the Financial Section of the Chamber of Com-
merce of Antwerp.
- ALEXANDRE CARRETTE**, Tournai;
Former President of the Chamber of Commerce and In-
dustries of Tournai.
- JOSEPH MARCOTTY**, Liege;
President of the National Federation of the Commercial
and Industrial Associations of Belgium; Former Pres-
ident of the Chamber of Commerce of Liege.
- GEORGES DALLEMAGNE**, Liege;
President of the Federation of the Chemical and Pottery
Industries of Belgium.
- HUBERT SAVELKOUL**, Antwerp;
Vice President of the Chamber of Industries of Antwerp.

EMILE JOTTRAND, Mons;

Secretary of the Chamber of Commerce of Mons.

FIRMIN LEPAGE, Luxembourg;

Delegate from the Belgian Chamber of Commerce of Luxembourg.

WILLIAM THYS, Brussels;

Bank of Brussels.

CHARLES FRANCHOMME, Brussels;

Vice President of the Chamber of Commerce of Brussels.

JACQUES RYZIGER, Brussels;

Former Vice President of the Chamber of Commerce of Brussels.

LOUIS SPAAK, Ougree;

Director of the Commercial Service of the Ougree-Marihayé Works.

ALBERT NEVE, Liege;

Ougree-Marihayé Works.

ARTHUR DEMERBE, Jemappes;

Demerbe & Company.

EUGENE ALLARD, Paris, France;

President of the Belgian Chamber of Commerce at Paris.

HENRI RAU, Paris, France;

Vice President of the Belgian Chamber of Commerce at Paris.

HENRI BEHART, Paris, France;

Chamber of Industry of Antwerp.

FRANCE

Members of Joint Committee on Permanent Organization.

EUGENE SCHNEIDER, *Chairman*,

Maitre de Forges; President of the Iron and Steel Institute of Great Britain.

ETIENNE CLEMENTEL,

Former Minister of Commerce; President, Board of Directors of National Office of Foreign Commerce; President of the National Committee of Counsellors of Foreign Commerce.

ALBERT TIRMAN,

Counsellor of State; Representative of the Minister of Commerce to the French Economic Mission in the United States.

GEORGES PASCALIS,
President, Chamber of Commerce, Paris; Chairman of
the Board of Presidents of Chambers of Commerce.

HENRY DARCY,
President, General Confederation of French Production.

JEAN COIGNET,
President, Chamber of Commerce, Lyon; President, Na-
tional Association for Economic Expansion.

CHARLES CHAUMET,
President, Parliamentary Committee of Commerce and
Industry.

JULIEN POTIN,
President, Potin and Company; President, Syndicate of
Dry Vegetables.

JULES GODET,
Former President, General Association of Textiles.

GEORGES ROCHE,
Director, Poulenc Brothers; Representative, General
Syndicate of Chemical Products.

EDOUARD DOLLEANS,
Professor of Political Economy and Member of the
Faculty, University of Dijon.

ANDRE-FRANCOIS PONCET,
Director of the Society of Economic and Financial In-
formation.

ALEXANDRE DE LAVERGNE, *Secretary*;
General Secretary, General Confederation of French
Production.

*Representatives of the General Confederation of French Pro-
duction.*

PAUL BELIN,
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Baldwin Locomotive Works.
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